

JUL 31 1970 6. Amend Chapter II of Part Two of the Regents' Rules and Regulations by changing subdivision 1.11 of Section 1, subsection 2.2 of Section 2, Section 4 and its subsections and subdivisions 4.1, 4.2, 4.21, 4.22 and 4.3, subsections 5.1, 5.2 and 5.3 of Section 5, and subdivisions 6.21 and 6.23 of subsection 6.2 of Section 6 to read as follows:

1.1 Current Funds.

1.11 General. --General Funds are those unrestricted operating funds which are available for any purpose. They are expended in accordance with the budgets and appropriations approved by the Board of Regents. General Budget Funds balances shall not be reappropriated from one fiscal year to another unless specific approval is given by the Chancellor or the Chancellor-Elect and the Board of Regents.

2.2 All accounting records and procedures shall be subject to the approval of the institutional business officer and the Deputy Chancellor for Administration, or his delegate.

Sec. 4. Reporting.

4.1 All financial reports shall be prepared in accordance with the provisions of the statutes, official directives of the Coordinating Board, Texas College and University System, and directives of the Board of Regents, and in conformity with the manual, "College and University Business Administration, Revised Edition," referred to above. The reports shall be prepared by the institutional chief business officer and approved by the Deputy Chancellor for Administration, or his delegate.

4.2 Two reports, both of which shall be prepared under the direction of the institutional chief business officers and the Deputy Chancellor for Administration, or his delegate, shall be prepared annually:

4.21 Annual Financial Report. --On or before December 29, printed financial reports, in the format recommended in Volume I, "College and University Business Administration" (1952), or its successor publication, shall be filed with the Coordinating Board, Texas College and University System. The certificate of audit of the State Auditor is to be included if this report has been completed.

4.22 Salary Payment Report. --On or before December 31 each year, an itemized report in format prescribed by System Administration shall be prepared of salaries and wages paid all employees for services during the preceding fiscal year out of any funds from any source or character under the control and/or custody of the Board of Regents, showing for each employee the total amount paid from each source during the twelve months of the fiscal year, the title of the position held or kind of service rendered. Three copies of this report shall be prepared by component institutions, one copy for the Deputy Chancellor for Administration, one copy for the Secretary to the Board of Regents, and one copy for the System Comptroller.

- 4.3 Monthly financial reports, in the form prescribed by the Deputy Chancellor for Administration, or his delegate, shall be prepared by each institutional chief business officer and distributed to the institutional head, the Chancellor-Elect, the Secretary to the Board of Regents, and the System Comptroller.

Sec. 5. Operating Budgets.

- 5.1 Operating Budgets for all the component institutions shall be approved annually by the Board of Regents within the budget estimates of income prepared by the institutional business officer and the institutional head approved by the Deputy Chancellor for Administration.
- 5.2 General policies for the budget preparation shall be recommended by the Chancellor and the Chancellor-Elect to the Board of Regents and shall be followed in preparing the budgets. Instructions for details of budget preparation shall be furnished to the institutional heads by System Administration.
- 5.3 The institutional heads shall issue local instructions and shall furnish forms to the budget-recommending officials. Their recommendations for salaries, maintenance and operation, equipment, travel, and other pertinent items shall be reviewed by the institutional head and transmitted, with his recommendations, to the Chancellor-Elect for review and recommendation to the Chancellor and the Board of Regents.
- 6.2 These Legislative budget requests shall be prepared in conformity with the same general procedures as outlined above for the annual budgets:
  - 6.21 Approval of budget-writing policies by the Board of Regents upon recommendation of the Chancellor and the Chancellor-Elect.
  - 6.23 Approval of the completed budget by the Chancellor-Elect, the Chancellor, and the Board of Regents.
7. Amend Chapter III of Part Two of the Regents' Rules and Regulations by changing subdivisions 4.11 and 4.12 of subsection 4.1 of Section 4, Section 11, subdivisions 13.22, 13.23, 13.24, 13.25, 13.26 and 13.27 of subsection 13.2 of Section 13, subdivisions 13.321, 13.322, 13.371, 13.3712, 13.3723 and 13.39 of subsection 13.3 of Section 13 and Section 16 to read as follows:
  - 4.11 Depository agreements with official depository banks shall be negotiated, as necessary, by the Deputy Chancellor for Administration or his delegate with those banks approved by the Board of Regents and in accordance with the then current policies of the Board. Such depository agreements shall be executed by the Chairman of the Board of Regents.
  - 4.12 Requests for authorized signatures, or changes thereto, for bank accounts maintained in all depository banks, shall be forwarded to the System Comptroller, who shall refer such requests to the Deputy Chancellor for Administration for approval and notification of the banks concerned.

Sec. 11. Institutional Membership Dues. --Funds of The University of Texas System may be used to pay membership fees only in educational, scientific, or other associations, in which the System, or a component institution thereof, is an institutional member, with initial memberships approved by the institutional heads and the Chancellor or Chancellor-Elect.

- 13.22 Requests for authorization to be absent for a period in excess of two weeks, but not in excess of twenty-nine days, including travel on official business, shall be transmitted through proper administrative channels to the Chancellor-Elect for approval prior to such absence.
- 13.23 Requests for authorization to be absent for a period in excess of twenty-nine days, (excluding holidays approved by the Board), including travel on official business, shall be transmitted through proper administrative channels to the Chancellor-Elect for approval prior to such absence. Such approvals are to be reported in the regular dockets of the institutions affected.
- 13.24 Requests for authorization to be absent by the administrative officers and staff of System Administration shall be approved by the Chancellor or Chancellor-Elect.
- 13.25 Any travel that contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred must have the advance written approval of the Governor, with the exception of travel to, in, and from the several states, United States possessions, Mexico, and Canada. Prior written approval of the Chancellor or Chancellor-Elect is required for travel expenses incurred in Canada and Mexico, in addition to the authorizations required in the preceding subsections.
- 13.26 In lieu of any of the delegations of authority to approve absence from usual and regular duties, including official travel, specified in the above subsections, the Chancellor or Chancellor-Elect may exercise such authority.
- 13.27 The institutional heads of the component institutions shall keep records of all approved absences which shall be available for review by the Chancellor, the Chancellor-Elect, the Board of Regents, or other duly authorized officers of The University of Texas System.
  
- 13.321 System Administration - Reimbursement for all travel by employees of the System Administration shall be approved either by the Chancellor, Chancellor-Elect, Deputy Chancellor for Administration, or by the Director of Accounting or Assistant Director of Accounting of The University of Texas at Austin.
- 13.322 Component Institutions - Reimbursement for all travel by employees of the component institutions shall be approved either by the Chancellor, the Chancellor-Elect, or by the administrative officers designated below:

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

- 13.371 Rented or Public Conveyance Including Taxis. --An employee traveling by rented or public conveyance, or the commercial transportation company furnishing same, is entitled to a transportation allowance equal to the actual cost of necessary transportation for performing official business, excluding Federal tax. Payment of said transportation allowance may be made by either of the following methods, upon selection by the Chancellor or Chancellor-Elect or the head of the component institution, in advance of authorized official travel.
- 13.3712 The Chancellor, Chancellor-Elect, or heads of component institutions may request commercial transportation companies to furnish required transportation for official business to designated employees of System Administration or such institutions upon the presentation to cooperating transportation companies of transportation requests approved by the Chancellor, Chancellor-Elect, or the head of the institution requesting such transportation. The transportation request shall specify the class of transportation authorized. The monthly billings for such transportation services from the transportation company will be vouchered on a regular purchase voucher, showing the detail why each trip listed was necessary in the operation and maintenance of the institution.
- 13.3723 When two, three, or four officials or employees of System Administration or one of the component institutions of The University of Texas System with the same itinerary on the same dates are required to travel on the same official state business for which travel reimbursement for mileage in a personal car is claimed, mileage reimbursement will be claimed and allowed for only one of the employees except as provided hereafter. If more than four employees attend such meeting or conference in more than one car, full

mileage reimbursement shall be allowed for one car for each four employees and for any fraction in excess of a multiple of four employees. If, in any instance, it is not feasible for these officials or employees to travel in the same car, then prior official approval from the Chancellor or Chancellor-Elect for System Administration, or the head of the component institution for employees of that institution, shall be obtained and shall be considered as authorization and the basis for reimbursement for travel for each person authorized to use his personal car in such travel.

13.39 Exceptions to per Diem Allowance. --Executive heads of component institutions shall be reimbursed for their actual meals, lodging, and incidental expenses (exclusive of expenses related to automobiles for which transportation is paid) when traveling on official business either in or out of the state. Employees of State Agencies designated by the Governor to represent him officially at governmental meetings or conferences when held out of the State shall receive actual meals, lodging, and incidental expenses, and such employees may be reimbursed out of appropriations made to the agencies by which they are employed. Certain administrative officers of the System are authorized and directed by the Board of Regents and the Chancellor to represent The University of Texas System and its component institutions outside the boundaries of the State of Texas, and in such representation they shall receive reimbursement for the actual cost of meals, lodging, and incidental expenses, not to exceed \$35.00 per day in lieu of any fixed per diem allowance. The administrative officers entitled to such reimbursement shall be designated in writing by the Chancellor and Chancellor-Elect, and the list of those designated shall be filed with the Secretary to the Board of Regents. In like manner, two administrative officers from each of the component institutions are authorized and directed by the Board of Regents and the Chancellor to represent The University of Texas System and its component institutions outside the boundaries of the State of Texas, and in such representation they shall receive reimbursement for the actual cost of meals, lodging, and incidental expenses, not to exceed \$35.00 per day in lieu of any fixed per diem allowance. The administrative officers entitled to such reimbursement shall be designated in writing by the Chancellor or Chancellor-Elect upon recommendation of the institutional heads, and the list of those designated shall be filed with the Secretary to the Board of Regents.

Sec. 16. Insurance on Money and Securities. --As approved by the Board of Regents, The University of Texas System carries a blanket System-wide policy insuring against loss of money or securities at any of the component institutions. The premium paid by each institution is separately computed and is based on the coverage applicable at each institution. At the time any loss occurs at any institution, the System Comptroller shall be notified by the appropriate institutional business officer and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be approved by the Chancellor or Chancellor-Elect as well as by the Comptroller, and shall be reported to the Board of Regents for ratification

at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents. Money and Securities coverage may be combined with the blanket position fidelity bond. See Chapter V, Section 2.15.

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

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

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

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

6.2 Proposals for space leases require the approval of the Chancellor-Elect, the Chancellor, and the Board of Regents, and lease contracts drawn in accordance with such approval shall be signed by the Deputy Chancellor for Administration or his delegate.

Sec. 9. Purchases from Employees. --Purchases are not permitted from any officer or employee of The University of Texas System unless the cost is less than that from any other known source and until approved by the institutional heads, the Chancellor or the Chancellor-Elect, and the Board of Regents. Details of such transactions shall be reported in the dockets or Minutes of the Board.

9. Amend Chapter V of Part Two of the Regents' Rules and Regulations by changing subdivision 1.243 of subsection 1.24 and subsection 1.26, both of Section 1 and subdivision 2.11 of Section 2 to read as follows:

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

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

- 2.11 As approved by the Board of Regents, The University of Texas System shall carry a blanket position (fidelity) bond that shall cover employees of all component institutions. All employees shall be covered in the amount of not less than \$5,000 each. It shall be the responsibility of the System Comptroller to recommend to the Deputy Chancellor for Administration the administrative officials who are to be covered by amounts in excess of this figure, and the amount of coverage recommended for each. For total coverage in excess of \$10,000, approval of the State Auditor is necessary.
10. Amend Chapter VI of Part Two of the Regents' Rules and Regulations by changing subsection 4.1 of Section 4 to read as follows:
- 4.1 A System-wide contract is in effect to provide group hospitalization and medical insurance coverage on an optional basis for employees of all component institutions of the University System subject to approval of the System Personnel Director, the Deputy Chancellor for Administration, the Chancellor-Elect, the Chancellor, and the Board of Regents.
11. Amend Chapter VII of Part Two of the Regents' Rules and Regulations by changing subsections 4.2 and 4.4 of Section 4 to read as follows:
- 4.2 The terms of the policies covering the risks indicated above are negotiated by the Deputy Chancellor for Administration or his delegate in accordance with procedures approved by the Chancellor or the Chancellor-Elect and the Board of Regents.
- 4.4 At the time a loss occurs applicable to either System-wide or individual insurance policies, the System Comptroller shall be notified by the appropriate business officer, and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be approved by the Chancellor or the Chancellor-Elect as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents.
12. Amend Chapter VIII of Part Two of the Regents' Rules and Regulations by changing subdivisions 1.12 and 1.13 of subsection 1.1, subdivisions 1.24 and 1.26 of subsection 1.2, subdivisions 1.32, 1.33, 1.34 and 1.35 of subsection 1.3, all of Section 1, and subsection 7.4 of Section 7 to read as follows:
- 1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the institutional head, the Deputy Chancellor for Administration, or his delegate, and the project architect.
- 1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate, the Chancellor-Elect, and the Chancellor.

- 1.24 The project architect shall be given the detailed program and will work in conjunction with the Office of Facilities Planning and Construction to prepare preliminary plans, exterior design, outline specifications, cost estimates, etc., which shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate the Chancellor-Elect, and the Chancellor.
- 1.26 The final working drawings and specifications shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Deputy Chancellor for Administration, or his delegate, the Chancellor-Elect, and the Chancellor.
- 1.32 The Deputy Chancellor for Administration, or his delegate, shall receive and open bids, with the project architect and others, tabulate and study such bids, and make recommendations to the Board of Regents.
- 1.33 The Board of Regents shall award contracts, and the contract documents shall be prepared by the project architect, checked and approved by the Deputy Chancellor for Administration, or his delegate, and the Law Office, and signed by all contractors involved and the Chairman of the Board of Regents. At the time contracts are awarded, additional appropriations will be made if required.
- 1.34 The Deputy Chancellor for Administration, or his delegate, shall approve contractor's estimates, sign change orders, and provide general supervision of all new construction. He shall advise the Board of Regents if developments during construction require additional funds or other decisions of the Board.
- 1.35 The Deputy Chancellor for Administration, or his delegate, shall inspect the completed building and recommend final acceptance and final payment.

7.4 The Deputy Chancellor for Administration, or his delegate, and the chief business officer of the institution shall be ex officio members of such committees.

13. Amend Chapter IX of Part Two of the Regents' Rules and Regulations by changing subsections 1.1, 1.2, 1.3, 1.4 and 1.5 of Section 1, subdivision 2.233 and its subdivisions 2.2331, 2.2332 and 2.2333, subdivisions 2.51 and 2.52 of subsection 2.5, subdivisions 2.61, 2.62, 2.63 and 2.64 of subsection 2.6, all of Section 2, subsections 5.1 and 5.2 of Section 5, Section 6 and subsections 6.2 and 6.4, and subsections 7.1, 7.2 and 7.3 of Section 7 to read as follows:

Sec. 1. Certain Specific Authorizations to the Associate Deputy Chancellor for Investments, Trusts and Lands and the Endowment Officer.

1.1 Authority to Sell, Assign, and Transfer Securities Held by the Permanent University Fund. --The Associate Deputy Chancellor for Investments, Trusts and Lands (or the Endowment Officer) and the Treasurer of the State of Texas (or the Acting Treasurer of

the State of Texas) are jointly authorized to sell, assign, and transfer any and all of the bonds, stocks, notes, and other evidences of indebtedness and ownership of any description whatsoever owned by the Permanent University Fund of The University of Texas System (formerly the University of Texas) and registered in the name of "The University of Texas," "The University of Texas System," "The University of Texas for Permanent University Fund, a State Endowment Fund, Austin, Texas," "The University of Texas System for Permanent University Fund, a State Endowment Fund, Austin, Texas," "Permanent University Fund of The University of Texas," "Permanent University Fund of The University of Texas System," or in any other form of registration of such securities held for the account of the Permanent University Fund of The University of Texas System.

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

2. 233 Implementation of FHA Mortgage Loan purchase program: The Associate Deputy Chancellor for Investments, Trusts and Lands and/or the Endowment Officer, are each authorized:
- 2. 2331 To recommend the Seller-servicers with which Purchase and Servicing Agreements should be made, and after approval by the Board of Regents, to execute the Purchase and Servicing Agreements on the approved forms.
  - 2. 2332 To perform such acts and execute such documents as may be necessary from time to time in carrying out the provisions of any such Purchase and Servicing Agreement, including authority to accept or reject loans tendered under such agreements, to execute releases of liens securing any loan or loans when paid in full, and to execute assignments of any notes and liens when appropriate to do so.
  - 2. 2333 To take any and all steps as may be considered necessary or advisable to protect the interest of the Permanent University Fund in event of default occurring with respect to any FHA Insured First Mortgage note held by such Fund. Not by way of limitation, but by way of illustration only, such authority shall include power to acquire title on behalf of the Board of Regents to the property securing any such note, by Trustees sale, foreclosure, or otherwise; to execute on behalf of the Board of Regents the necessary deed conveying the properties so acquired to the Federal Housing Administration; to handle any properties so acquired pending conveyance to the Federal Housing Administration; and to incur and pay such reasonable expenses as may be necessary in the acquisition and care of any such properties.
2. 51 As a general rule, stock rights received are to be exercised. In each instance, exercise or sale of the rights is to be made at the discretion of the Associate Deputy Chancellor for Investments, Trusts and Lands.
2. 52 As a general rule, fractional shares received from stock dividends, etc., are to be sold. In each instance, the decision to round out fractional shares or to sell will be made by the Associate Deputy Chancellor for Investments, Trusts and Lands.
2. 61 Approved List. A list of companies whose stocks are considered suitable for purchase or retention shall, after consultation with the Staff Investment Committee, the Investment Counsel, and the Investment Advisory Committee, be sub-

mitted by the Associate Deputy Chancellor for Investments, Trusts and Lands for approval by the Board of Regents through the Regents' Land and Investment Committee. In similar manner, recommendations regarding additions to and deletions from such list shall be submitted for the Regents' approval.

- 2.62 Authority regarding purchase and sale of securities. Within the limitations of these Rules and Regulations, the Associate Deputy Chancellor for Investments, Trusts and Lands is authorized to buy, sell or exchange, from time to time, securities issued by the companies within the approved list, provided that sales in any one calendar month of stocks owned shall not exceed 2 1/2% of the book value of the Permanent University Fund. With the approval of the Chairman of the Land and Investment Committee, or the Chairman of the Board of Regents, the Associate Deputy Chancellor for Investments, Trusts and Lands may sell stocks in excess of 2 1/2%, but not in excess of 5%, of the value of the Permanent University Fund. Sales of stocks in any one month in excess of 5% of the value of the Permanent University Fund require prior approval of the Board of Regents.
- 2.63 Exchange of Bonds. The Associate Deputy Chancellor for Investments, Trusts and Lands is authorized to exchange bonds owned from time to time, on a par for par basis (with such cash adjustments as may be required) for other eligible bonds or obligations. In any such exchange the cost of the bonds exchanged out (plus or minus the cash adjustment involved) shall be carried forward as the cost of the bonds or obligations acquired, even though the sale and purchase may be effected through different brokers.
- 2.64 Advice of Investment Advisory Committee. --The Associate Deputy Chancellor for Investments, Trusts and Lands shall seek the advice and counsel of the Investment Advisory Committee at its regular quarterly meetings on all of the major matters involving the Permanent University Fund.

Sec. 5. Staff Investment Committee.

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

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

- 6.2 Selection Procedure. --Appointments to such Committee shall be made by the Board of Regents after recommendation by the Associate Deputy Chancellor for Investments, Trusts and Lands.

- 6.4 Meetings. --Meetings shall be held quarterly and at such other dates as may be considered advisable by the Associate Deputy Chancellor for Investments, Trusts and Lands.

Sec. 7. Brokerage Firms.

- 7.1 Approved List. --Normal purchase and sale transactions shall be effected through firms that have been approved by the Board of Regents after recommendation by the Associate Deputy Chancellor for Investments, Trusts and Lands.
- 7.2 Unlisted Securities. --Purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Associate Deputy Chancellor for Investments, Trusts and Lands may select.
- 7.3 Block Transactions. --Block purchases and sales will generally be effected through brokers on the approved list. Where the best interests of The University of Texas System seem to require it, such transactions may be effected through such broker or brokers as the Associate Deputy Chancellor for Investments, Trusts and Lands may select.

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

- Sec. 4. Rentals and related policies and rates for dormitories and housing facilities shall be approved in advance by the institutional head, the Chancellor-Elect, the Chancellor, and the Board of Regents.
- Sec. 6. The money values of meals, lodging, and other services the employees are authorized to receive in lieu of additional wages or salary, are recommended to the institutional head by the chief business officer and approved by the Chancellor-Elect, the Chancellor, and the Board of Regents.
- 8.1 At least eighteen copies of the minutes of all meetings of the Board of Directors of Texas Student Publications, Inc., shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Chancellor-Elect, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such members of the U. T. Austin administration as the President of The University of Texas at Austin may direct. No action of the Board of Directors of Texas Student Publications, Inc., shall have any force or effect until it has been approved by the Board of Regents.
- 8.4 Within ninety days following the close of each fiscal year of Texas Student Publications, Inc., there shall be furnished to the Chancellor for distribution to the members of the Board of Regents, the Secretary to the Board of Regents, and to such members of the administration as the Chancellor-Elect or the Chancellor may direct, at least fifteen copies of a complete audit of the fiscal year, prepared by a certified public accountant selected by the Board of Directors of Texas Student Publications, Inc.

- 9.5 At least eighteen copies of the minutes of all meetings of the Board of Directors and the Executive Committee shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Chancellor-Elect, the Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such other members of the U. T. Austin administration as the President of The University of Texas at Austin may direct. No budget or budget amendment adopted by the Board of Directors of the Texas Union, or of any committee or subcommittee of such Board, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.
- 9.7 Within ninety days following the close of each fiscal year of the Texas Union, there shall be furnished to the President of The University of Texas at Austin for distribution to the Chancellor-Elect and the Chancellor, to the members of the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct, at least 15 copies of a complete audit of the fiscal affairs of the Texas Union during the preceding fiscal year.
- 9.9 The Union Director shall serve as chief executive official in the Union Building. The Board of Directors of the Texas Union shall recommend annually on June 1 through the President of The University of Texas at Austin to the Chancellor-Elect and the Board of Regents the appointment of the Union Director. His term of service shall extend from September 1 through the following August 31. The Union Director shall have the responsibility for the day-to-day operation of the Union Building and its program of activities. He shall be charged with coordinating the various functions of the Building and the interests of the various groups served by the Building. The Union Director shall recommend for appointment, and with the approval of the Board of Directors of the Texas Union, shall employ all subordinate employees. He shall supervise and direct their work. The Union Director shall be a member of all committees without vote. On May 1 annually he shall make a complete report to the Board of Directors of the Texas Union covering the activities in the Union Building. The report shall be transmitted through the President of The University of Texas at Austin to the Chancellor-Elect and the Chancellor, to the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct. The Union Director shall perform such additional services as may be required by the Board of Directors and approved by the Board of Regents.
- 9.10 While various parts and facilities of the Union Building are reserved primarily for the general use of students and faculty, provision is made for extending the use of portions of the Building to special groups for their exclusive use when this can be done in such manner as not to interfere with the regular program of the Union, and in such cases a rental price may be charged. However, when persons, groups, or organizations officially designated by the President of The University of Texas at Austin, by the Chancellor, by the Chancellor-Elect, or by the Board of Regents as guests of the University desire to use the facilities of the Union, such privilege shall be granted and shall be granted without cost to the guest group. It is understood, of course, that all requests for the use of the facilities of the Union shall be subject to the principle that prior reservations will be respected, and for

that reason requests for the use of the Building or any part of it should be made as early as possible.

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

15. Amend Chapter XI of Part Two of the Regents' Rules and Regulations by changing Sections 1 and 5 to read as follows:

- Sec. 1. Research and Training contracts, grants, or agreements with outside agencies shall be approved by the institutional head, and ratified via the institutional dockets by the Board of Regents. (The Chancellor or the Chancellor-Elect may modify this requirement at his discretion for certain contracts and grants by issuing appropriate instructions for so doing.) Funds shall not be encumbered or expended under any such contract or grant prior to approval thereof.
- Sec. 5. Proposals as to overhead rates on cost-reimbursement contracts and other government contracts and grants shall be worked out in preliminary form by the chief business officer concerned and shall be reviewed and approved by the System Comptroller before being submitted. Subject to approval of the Deputy Chancellor for Administration, the System Comptroller shall negotiate all such overhead rates for the component institutions of The University of Texas System.

JUL 10 1970 REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENT TO SECTION 13 OF CHAPTER III (GRANTS AND TRUST FUNDS). --Subsection 13.3(10)2 of Section 13 of Chapter III of Part Two of the Regents' Rules and Regulations was amended to read as follows:

13.3(10)2 Grants and Trust Funds--Travel allowances paid from grants and trust funds, unless otherwise specified under the grant or gift, may be on a per diem basis as specified in the foregoing general travel regulations, except that a maximum of \$25.00 per calendar day or \$6.25 per quarter day (as defined in Sec. 13.36) per diem rate shall apply to both in-state and out-of-state travel. When anticipated living costs are unusually low for those engaged in travel, the person authorizing the travel may reduce the per diem for all or any part of the travel, provided that the employee shall be notified of such reduced per diem before being allowed to incur any expense. In addition to per diem, costs of public transportation or rented vehicle, supported by receipts for expenses in excess of \$2.50, will be paid. If transportation is by private car, reimbursement will be paid at a rate not to exceed 10¢ per mile, but limited to an amount not in excess of the cost of regular air transportation. When not otherwise prohibited by the terms of the gift or grant, employees may also be reimbursed for required registration fees or similar expenses incurred in attending meetings of organizations or associations. Receipts for registration fees or similar expenses shall be obtained and attached to the expense account. Project Directors, Principal Investigators, Departmental Chairmen, or other authorized personnel under a gift or grant who travel in their personally-owned airplanes on necessary official business may be reimbursed at the rate of sixteen (16¢) per highway mile for in-state travel. The same rate shall apply to out-of-state travel, subject to the limitation that the mileage reimbursement shall not exceed the amount equal to the number of persons flying by private plane times the allowable commercial airline rate.

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REGENTS' RULES AND REGULATIONS, PART TWO, AMENDMENTS TO CHAPTER I, SECTION 1 (SEMI-ANNUAL REPORT OF GIFTS), CHAPTER I, SECTION 9 (OFFICIAL SEAL, COLORS, FLAG, AND MASCOT), AND CHAPTER III, SECTION 13 (GRANTS AND TRUST FUNDS). --To the Regents' Rules and Regulations, Part Two, the following amendments were adopted:

1. Amend Subsection 1.4 of Section 1 of Chapter I of Part Two of the Regents' Rules and Regulations to read as follows:
  - 1.4 A semi-annual report of such gifts of less than \$1,000 showing name and address of donor, amount, purpose, and date of the gift shall be filed in the Office of the Board of Regents within thirty (30) days after August 31 and February 28 of each year. Such reports will summarize gifts of \$25 or less by showing totals only, in two categories: Type of Donor and Purpose of Gifts.
2. Amend Chapter I of Part Two of the Regents' Rules and Regulations by adding a Section 9 to read as follows:

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

- 9.1 The official seal of The University of Texas System shall be the seal held in the custody of the Secretary to the Board of Regents on which shall be inscribed "Seal of The University of Texas." The official seal of each component institution shall consist of The University of Texas System seal with such heraldic variations as may be approved by the Board of Regents upon recommendation of the head of the component institution and System Administration. 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 of Regents, by System Administration, or by the head 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 University of Texas System, unless the full title of the institution as designated in the Rules and Regulations of the Board of Regents, Part One, Chapter VIII, Section 4, is also used as an integral part of the seal.

- 9.2 The official colors for The University of Texas System shall be orange and white; provided, however, that a component institution may adopt other colors to be used only in connection with athletic activities of the institution when approved by the Board of Regents upon recommendation of the head of the component institution and System Administration.
  - 9.3 The Texas State Flag shall be designated as the official flag of The University of Texas System, and the official flag of each component institution shall be the Texas State Flag with a streamer with the official name of the component institution in white letters on an orange field. No component institution shall have or display as its official flag or as a flag representative or symbolic of the institution any other flag.
  - 9.4 Each component institution may adopt a theme and a mascot to be used in connection with athletic activities, provided same is approved by the Board of Regents upon recommendation of the head of the component institution and System Administration.
3. Amend Section 13 of Chapter III of Part Two of the Regents' Rules and Regulations by changing subsection 13.3(10)2 to read as follows:
    - 13.3(10)2 Grants and Trust Funds--Travel allowances paid from grants and trust funds, unless otherwise specified under the grant or gift, may be on a per diem basis as specified in the foregoing general travel regulations, except that a maximum of \$25.00 per calendar day or \$6.25 per quarter day (as defined in Sec. 13.36) per diem rate shall apply to both in-state and out-of-state travel. When anticipated living costs are unusually low for those engaged in travel, the person authorizing the travel may reduce the per diem for all or any part of the travel, provided that the employee shall be notified of such reduced per diem before being allowed to incur any expense. In addition to per diem, costs of public transportation or rented vehicle, supported by receipts for expenses in excess of \$2.50, will be paid. If transportation is by private car, reimbursement will be paid at a rate not to exceed 10¢ per mile, but limited to an amount not in excess of the cost of regular air transportation. When not otherwise prohibited by the terms of the gift or grant, employees may also be reimbursed for required registration fees or similar expenses incurred in attending meetings of organizations or associations. Receipts for registration fees or similar expenses shall be obtained and attached to the expense account.

REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO  
CHAPTER III (TRAVEL FROM GRANT AND TRUST FUNDS) AND CHAPTER VIII  
MAR 6 1970 (PHYSICAL PLANT IMPROVEMENTS). --Part Two of the Regents' Rules and  
Regulations was amended as follows to be effective immediately:

- a. Subdivision 13.3(10)2 of subdivision 13.3(10) of subsection 13.3  
of Section 13 of Chapter III was amended to read as follows:

13.3(10)2 Grants and Trust Funds--Travel allowances paid from grants and trust funds, unless otherwise specified under the grant or gift, may be on a per diem basis as specified in the foregoing general travel regulations, except that a maximum of \$22.00 per calendar day or \$5.50 per quarter day (as defined in Sec. 13.36) per diem rate shall apply to both in-state and out-of-state travel. When anticipated living costs are unusually low for those engaged in travel, the person authorizing the travel may reduce the per diem for all or any part of the travel, provided that the employee shall be notified of such reduced per diem before being allowed to incur any expense. In addition to per diem, costs of public transportation or rented vehicle, supported by receipts for expenses in excess of \$2.50, will be paid. If transportation is by private car, reimbursement will be paid at a rate not to exceed 10¢ per mile, but limited to an amount not in excess of the cost of regular air transportation. When not otherwise prohibited by the terms of the gift or grant, employees may also be reimbursed for required registration fees or similar expenses incurred in attending meetings of organizations or associations. Receipts for registration fees or similar expenses shall be obtained and attached to the expense account. Project Directors, Principal Investigators, Departmental Chairmen, or other authorized personnel under a gift or grant who travel in their personally-owned airplanes on necessary official business may be reimbursed at the rate of sixteen (16¢) per highway mile for in-state travel. The same rate shall apply to out-of-state travel, subject to the limitation that the mileage reimbursement shall not exceed the amount equal to the number of persons flying by private plane times the allowable commercial airline rate.

- b. Sections 1, 2, 3, 4, and 7 of Chapter VIII and their subsections and subdivisions were deleted and the following (on Pages 58-61) substituted therefor:

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

- 1.1 After the Board of Regents approves the construction of new facilities, the procedures shall be as follows:
  - 1.11 The Institutional Building Advisory Committee shall hold necessary hearings and make proper investigations to translate the approved academic program into priorities for new construction, with suggestions as to total project area and function, and make such recommendations to the institutional head.
  - 1.12 The Institutional Building Advisory Committee shall be relieved of further direct responsibility whenever a building contract is awarded, but shall be available for consultation as the building progresses, as requested by the institutional head, the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, and the project architect.
  - 1.13 New projects shall be submitted to the Board of Regents for approval, including proposed funding, upon recommendation of the institutional head, the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, the Deputy Chancellor, and the Chancellor.
- 1.2 Project Development.
  - 1.21 The Board of Regents will employ a project architect for each new major building project at all component institutions.
  - 1.22 The institutional head may appoint according to the Institutional Supplement an Ad Hoc Project Building Committee composed of but not limited to representatives of the departments or divisions that will occupy the building. The committee shall work with the Office of Facilities Planning and Construction to prepare a detailed program of the needs for each project.
  - 1.23 The Chairman of the Institutional Building Advisory Committee, or his delegate, shall be an ex officio member of each Ad Hoc Project Building Committee.
  - 1.24 The project architect shall be given the detailed program and will work in conjunction with the Office of Facilities Planning and Construction to prepare preliminary plans, exterior design, outline specifications, cost estimates, etc., which shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, the Deputy Chancellor, and the Chancellor.
  - 1.25 After approval of the preliminary plans, the Board of Regents shall authorize the preparation of the working drawings and specifications. In the preparation of the final plans and specifications, the project architect shall work with the Ad Hoc Project Building Committee and the Office of Facilities Planning and Construction.
  - 1.26 The final working drawings and specifications shall be submitted to the Board of Regents for approval upon the recommendation of the institutional head, the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, the Deputy Chancellor, and the Chancellor.

1.3 Bidding and Construction Phase of Project.

- 1.31 After the Board of Regents approves the final plans and specifications, the Board shall authorize the Office of Facilities Planning and Construction to advertise for bids. Advertisements for bids for buildings shall be in accordance with state law.
- 1.32 The Executive Vice-Chancellor for Fiscal Affairs, or his delegate, shall receive and open bids, with the project architect and others, tabulate and study such bids, and make recommendations to the Board of Regents.
- 1.33 The Board of Regents shall award contracts, and the contract documents shall be prepared by the project architect, checked and approved by the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, and the Law Office, and signed by all contractors involved and the Chairman of the Board of Regents. At the time contracts are awarded, additional appropriations will be made, if required.
- 1.34 The Executive Vice-Chancellor for Fiscal Affairs, or his delegate, shall approve contractor's estimates, sign change orders, and provide general supervision of all new construction. He shall advise the Board of Regents if developments during construction require additional funds or other decisions of the Board.
- 1.35 The Executive Vice-Chancellor for Fiscal Affairs, or his delegate, shall inspect the completed building and recommend final acceptance and final payment.

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

New construction that involves a total expenditure of \$5,000 or less per project may be handled at the component institution. Necessary funds must have been approved through the proper procedure. In each case, the project must have been approved by the Director of Physical Plant, the chief business officer, and the executive head of the institution involved. This shall not include authority, however, to engage outside architects or engineers, as such employment must have the prior approval of the Board of Regents.

Sec. 3. Minor Repairs and Remodeling.

Minor repairs and remodeling of the physical plant involving proposed expenditures of less than \$50,000 per project shall be made under the supervision of the Director of Physical Plant and the chief business officer at the component institutions, with the approval of the institutional head, provided that necessary funds have been approved through proper procedure.

Sec. 4. Major Repairs and Remodeling.

- 4.1 Any repair or remodeling project of the Physical Plant involving an estimated expenditure of \$50,000 or more shall be deemed a major repair or remodeling project.
- 4.2 Unless otherwise approved by the Board of Regents, the procedures and regulations pertaining to new construction shall apply to major repair and remodeling projects.

Sec. 7. Institutional Building Advisory Committees.

- 7.1 At each of the component institutions there shall be an institutional building advisory committee.
- 7.2 The committee shall be appointed by the institutional head in the same manner as other institution-wide committees are appointed.
- 7.3 The composition of the institutional building advisory committee shall be set forth in the Institutional Supplement of each component institution.
- 7.4 The Executive Vice-Chancellor for Fiscal Affairs, or his delegate, and the chief business officer of the institution shall be ex officio members of such committees.

REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO  
CHAPTERS IV, V, VI, VII, X, AND XI. --The following amendments to  
the Regents' Rules and Regulations, Part Two were adopted:

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- (a) Of Chapter IV, Section 1, subsections 2.4 and 3.2, subdivision 3.33, subsections 6.1, 6.2 and 6.3, and Section 9 were amended to read as follows: (The paragraph indentation reflects the same indentation as in the Official Copy of the Rules and Regulations.)

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

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

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

3.33 Closed or noncompetitive specifications shall not be used except in unusual instances clearly justified as being essential to efficient operating performance. Reports of all such exceptions with a summary of the reasons therefor shall be filed quarterly with the Chancellor's Office and with the Secretary to the Board of Regents.

6.1 Space leases involving buildings and paid from general budget funds must, by law, be approved by the State Board of Control and may not extend beyond a four-year period.

6.2 Proposals for space leases require the approval of the Deputy Chancellor, the Chancellor, and the Board of Regents, and lease contracts drawn in accordance with such approval shall be signed by the Executive Vice-Chancellor for Fiscal Affairs or his delegate.

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

Sec. 9. Purchases from Employees. --Purchases are not permitted from any officer or employee of The University of Texas System unless the cost is less than that from any other known source and until approved by the institutional heads, the Chancellor or the Deputy Chancellor, and the Board of Regents. Details of such transactions shall be reported in the dockets or Minutes of the Board.

(b) Chapter IV was amended by adding new Sections 13, 14 and 15 to read as follows:

**Sec. 13. Purchases from Texas Department of Corrections.** --In accordance with the intent of the Legislature, and as provided by Article 6203c, VTCS, goods produced by the Texas Department of Corrections shall be purchased when such goods are equal to or lower in price than goods of a comparable quality on the open market.

**Sec. 14. Interception Devices.** --The current appropriation bill includes the following provisions:

"None of the funds herein appropriated may be used for the purchase, rental or contractual agreement for any type of electronic, mechanical or other interception devices used for the purpose of overhearing or recording oral conversation made in private or conversation made by wire without prior approval of the Governor."

**Sec. 15. Passenger Vehicles.** --The current appropriation bill provides that:

"None of the moneys appropriated in this Act may be expended for the purchase, maintenance or operation of a passenger car or of airplanes designed for passenger transportation unless authority to do so is stated by the language of this Act. Where such authority is stated, the purchase of an airplane, or the repair of an airplane, the cost of which is in excess of five thousand dollars (\$5,000), in any one fiscal year shall have the prior written approval of the Governor, and notice of such approval shall be filed with the Legislative Budget Board.

(c) Of Chapter V, subdivisions 1.122, 1.123, 1.142, 1.152, 1.212, 1.224, 1.242, 1.252, 1.26, 2.11, 2.31, and subsections 3.2 and 3.3 were amended to read as follows:

- 1.122 Write all job descriptions.
- 1.123 Allocate all positions to the proper job classification.
- 1.142 Advise his chief executive officer and the System Personnel Director of any violation or abuse of this policy.
- 1.152 Call to the attention of his chief executive officer in writing any violation of the program that may be approved outside the channels provided above, with a copy to the System Personnel Director.
- 1.212 Type of Plan. --Uniform use shall be made of the job grading procedure method system of job evaluation. Job descriptions shall be prepared according to the Procedure for Writing Job Specifications provided by the System Personnel Office of The University of Texas System.
- 1.224 Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution, as determined by salary surveys.

- 1.242** Changes in the Classification Plan, Pay Plan, and Policies and Rules at each institution involving only deletions of titles, changes in title, and changes in code numbers require the approval of the Executive Head of the institution and the System Personnel Officer.
- 1.252** Functional direction and help on technical personnel matters shall be provided each classified personnel officer by the System Personnel Director.
- 1.26** System Personnel Director. --The System Personnel Director serves as a staff officer advising the Chancellor and the Deputy Chancellor through the Executive Vice-Chancellor for Fiscal Affairs on the Classified Personnel programs, Workmen's Compensation insurance, and staff benefits, for each of the component institutions of the system.
- 2.11** As approved by the Board of Regents, The University of Texas System shall carry a blanket position (fidelity) bond that shall cover employees of all component institutions. All employees shall be covered in the amount of not less than \$5,000 each. It shall be the responsibility of the System Comptroller to recommend to the Executive Vice-Chancellor for Fiscal Affairs the administrative officials who are to be covered by amounts in excess of this figure, and the amount of coverage recommended for each. For total coverage in excess of \$10,000, approval of the State Auditor is necessary.
- 2.31** A leave of absence not to exceed fifteen working days in any one calendar year is granted faculty or staff members who, as members of the National Guard or Official Militia of Texas or members of any of the Reserve Components of the Armed Forces, shall be engaged in authorized training or duty, or ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating, vacation time, or salary, and when relieved from military duty, is restored to the position and status he previously held.
- 3.2** Separation from State Employment. --"No employee of the State shall be granted terminal annual or vacation leave subsequent to the effective day of the employee's resignation, dismissal, or separation from State employment. (See Part One, Chapter III, Subsections 15.3 and 19.3).
- 3.3** Advocating Overthrow of the Government. --"None of the funds appropriated to the agencies and institutions of higher education enumerated in this Act shall be expended in payment of salary or other compensation of any faculty member or employee who advocates the overthrow of the Government of the United States of America, or of any State, by force, violence or any other unlawful means."

(d) Of Chapter V, subsections 1.1 and 1.2 were amended by adding new subdivisions 1.166 and 1.243 respectively, to read as follows:

1.166 A program of employee benefits.

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

(e) Of Chapter V, Section 3 was amended by deleting subsection 3.4.

(f) Of Chapter VI, subsections 1.3 and 1.4, subdivision 1.74, subsection 1.8, Section 2 and its subsections, subsections 3.1 and 3.2, Section 4 and its subsection, subsections 5.5, 5.7, 5.8, 5.11, 5.12, and 8.1 were amended to read as follows:

1.3 Annual membership dues in the Teacher Retirement System are \$5, which amount is deducted from the first salary payment in a fiscal year. Members contribute 6 per cent of their salary up to and including \$25,000 per year, with the maximum contribution of \$1,500 per year, which amount is deducted from the monthly salary payment. The contributions are sent monthly by the business offices to the Teacher Retirement System. Each year members receive a statement from the Teacher Retirement System, through the business offices, of their total contributions, plus accumulated interest through August 31 of the preceding year. Within the provisions of the law, the State also contributes to the member's account.

1.4 The annuity payable at retirement is based on the salaries earned by the member. Annuity payments are based upon the average salary earned in the ten highest years of creditable service, not to exceed \$25,000 of salary for any one year beginning September 1, 1969. Years of service for the period September 1, 1957, through August 31, 1969, have a maximum limit of \$8,400.

1.74 With 20 years creditable service upon reaching age 55 or with 30 years creditable service at any age, member is entitled to retire at reduced actuarial equivalent of benefit payable at age 60.

1.8 Creditable service consists of prior service, former membership service, and current membership service. "Prior service" means service by such person as a teacher or auxiliary employee prior to (A) September 1, 1937, as relates to any person who became a member or who at any time on or before August 31, 1949, was eligible for membership in the Teacher Retirement System, or (B) September 1, 1949, as relates to any person who for the first time became eligible for membership in the Teacher Retirement System on or after September 1, 1949.

## **Sec. 2. Optional Retirement Program**

- 2.1** Pursuant to Chapter 729, Acts of the 60th Legislature, Regular Session, 1967 (Article 2922-li, Vernon's Texas Civil Statutes), the Board of Regents of The University of Texas System has authorized:
  - 2.11** The establishment of an Optional Retirement Program in lieu of active membership in Teacher Retirement System of Texas to become effective September 1, 1968.
  - 2.12** Any insurance or annuity company qualified and admitted to do business in this State to offer an Optional Retirement Plan to eligible employees of The University of Texas System.
  - 2.13** The ceiling on both the employee's contribution and the State's matching contribution to the Optional Retirement Plan to be the same as is in effect for contributions to the Teacher Retirement System.
  - 2.14** Compliance with the terms and provisions of the Act, and further compliance with prescribed rules and regulations of the State Board of Insurance and The University of Texas System.
- 2.2** Eligibility - The following types of employees are eligible to participate in the Optional Retirement Program:
  - 2.21** All full-time faculty members appointed at least 4-1/2 months.
  - 2.22** All full-time administrative, research or professional personnel appointed for at least 4-1/2 months, excluding any person employed in a position which is in the classified personnel pay plan of a component institution of the University.
  - 2.23** A full-time person who enters the program and later reduces to part-time status will remain eligible for the Program.
- 2.3** Effective Date of Participation
  - 2.31** Eligible employees in The University of Texas System employed as of September 1, 1968, shall elect to participate in the Optional Retirement Program no later than the first day of August, 1969. An eligible employee not exercising the option to participate in the Optional Retirement Program by August 1, 1969, is deemed to have chosen to continue membership in the Teacher Retirement System.
  - 2.32** Eligible employees of The University of Texas System employed September 2, 1968, or later, shall within ninety days following date of employment, elect to participate or not to participate in the Optional Retirement Plan. A person is automatically considered a member of the Teacher Retirement System Program unless he elects to participate in the Optional Retirement Program during the first 90 days of employment.
- 2.4** Contributions to Retirement Plan shall be as follows:
  - 2.41** The Optional Retirement Act authorizes a salary ceiling for contributions equivalent to the Teacher Retirement System. This ceiling, effective September 1, 1969, is 6 per cent of the salary ceiling of \$25,000 per year.
- 2.5** The Chancellor's Office of The University of Texas System will approve the companies authorized to offer an Optional Retirement Plan to eligible members of The University of Texas System. Eligible carriers will be indicated by the Chancellor's Office.

- 2.6 The eligible member electing to participate in the Optional Retirement Plan shall elect the company he chooses if that company has been approved by the University.
- 2.7 Because of the one-year vesting clause in the law, the State's matching contribution must be returned to the University if an employee does not begin a second year of participation.
- 2.8 There can be only one change in Optional Retirement Program carriers per person, and such change may be made only on September 1st.
- 2.9 Application blanks of authorized insurance carriers will not be furnished by the component institutions because of the possible large number of insurance carriers that may be authorized under the program. It is the responsibility of each individual interested in participating in the Optional Retirement Program to contact the authorized insurance carrier of his choice for an application blank.
- 3.1 The University of Texas System carries a master group life insurance policy, applicable to all component institutions, with the Aetna Life Insurance Company for "One Year Term Plan." Premiums are payable monthly in advance, by payroll deduction, increase for each person with each year of age, and are payable entirely by the individual. The program is optional but is available only to annual faculty and staff appointed at least one-half time; new employees are notified of their eligibility by the personnel office at the time of employment.
- 3.2 The amount of insurance available is equal to the next highest thousand dollars above the annual salary with a maximum of \$50,000. Annual earnings for academic personnel shall be the nine-month or twelve-month academic rate, as applicable. Annual earnings for non-teaching personnel shall be the twelve-month rate. When an employee classification changes, due to increase or decrease in earnings, including Modified Service, the amount of the insurance will be adjusted on the annual renewal date (January 1) following the date of the change provided the employee is available for work.

Sec. 4. Group Hospitalization and Medical Benefit Plan.

- 4.1 A System-wide contract is in effect to provide group hospitalization and medical insurance coverage on an optional basis for employees of all component institutions of the University System subject to approval of the System Personnel Director, the Executive Vice-Chancellor for Fiscal Affairs, the Deputy Chancellor, the Chancellor, and the Board of Regents.
- 4.2 This plan provides for a basic coverage supplemented by major medical coverage.
- 5.5 A physical examination by a designated physician is required for all persons to be covered, and before the individual's name can be placed on the payroll, the executed original of the examination form must be filed in the System Personnel Office. The Supervisor furnishes a list of physicians for these examinations that must be approved by the Board of Regents. The physician's fee is paid by the System Personnel Office for each examination. Persons who fail to pass the physical examination cannot be covered by the insurance. They may be employed only after signing a waiver of all rights.

- 5.7 The percentage of annual payroll, within the 2 per cent mentioned in subsection 5.1 above, is approved by the Board of Regents, and the amount is set aside from available appropriation other than itemized salary appropriations. Institutional chief business officers shall prepare and send to the System Personnel Director a monthly report of covered employees showing the source of their salaries and a check and/or state warrant for the amount due. These checks will be deposited in a depository bank and the State Comptroller will be requested to transfer the amounts due on payrolls paid from State funds to the Workmen's Compensation Insurance Fund.
- 5.8 Physicians are designated for treatment and care of injured employees upon recommendation of the supervisor and approval of the System Personnel Director and are called for treatment when possible, though other competent physicians may be authorized for treatment at the request of the employee. Emergency treatment, however, may be provided by any available physician and at any hospital, including institutional health centers or hospitals. The insured employee and the physician in charge choose the hospital to be used, except as indicated for emergency treatment. The designated physician authorized to treat injured employees files a Surgeon's Report with the Supervisor when treatment is first given. Fees for services rendered should be reasonable and fair and commensurate with services performed. They are, by law, subject to control of the Industrial Accident Board.
- 5.11 A covered employee disabled from work due to an on-the-job injury may remain on the payroll until his earned vacation and sick leave are exhausted or may request use of any reasonable portion thereof, during which time full medical benefits will remain available. Should an employee continue to remain disabled from work after earned vacation and sick leave are exhausted, provided such accrued leave totals seven days or more, there will be no waiting period before weekly compensation benefits accrue. Employees who have no sick leave or vacation accrued will be subject to a 7-day waiting period, for which they will be compensated in the event disability lasts 28 days or more. Vacation and sick leave used due to an on-the-job injury, are not charged against holidays, weekends, or other authorized days off.
- 5.12 The weekly compensation benefit for a covered employee injured in the course of his work is equal to 60 per cent of the average weekly earnings for the 12 months immediately preceding injury, though not more than \$49 nor less than \$12 per week. Compensation to an employee on less than a full work day basis is not more than 60 per cent of his average weekly earning, with the same maximum of \$49. Benefits may be paid for no longer than 401 weeks from date of removal from payroll for total incapacity and no longer than 300 weeks for partial incapacity for work. For specific injuries, the Supervisor has information available on request concerning benefits for specific injuries such as the loss of a hand or an eye. In case of death, benefits are computed on the basis of 360 weeks from injury.
- 8.1 The University of Texas System carries a master group long term disability income insurance policy, covering all institutions, with the Aetna Life Insurance Company. Premiums are payable monthly in

advance, by payroll deduction, and the rate applies to the monthly rate of basic earnings of each covered employee regardless of age. The program is optional but is available only to faculty members with the rank of Instructor or higher, or monthly salaried employees appointed at least one-half time. New employees are notified of their eligibility by the personnel office at the time of employment. The plan became effective initially on October 1, 1965.

- (g) Chapter VI was amended by adding a new subsection 1. 10 and a new Section 9 and its subsections to read as follows:

1. 10 Few employees of The University of Texas System are members of the Employees Retirement System because they are no longer eligible for initial membership in this system. Only those who were eligible between September 1, 1947, and August 31, 1949, and who did not waive membership as of September 1, 1947, are now members. Beginning September 1, 1949, new employees who would previously have been eligible for this plan became eligible for membership in the Teacher Retirement System as auxiliary employees. Annual membership dues in this system are \$2, which sum is deducted from the first monthly salary payment in a fiscal year. Contributions of employees are 5 per cent of the total salary earned, which is deducted from monthly salary payments.

**Sec. 9. Group Accident Insurance.**

9. 1 Group Accident Insurance was made available to faculty and staff members of The University of Texas System by a rider to the Long Term Disability Insurance Master Policy with the Aetna Life Insurance Company. The Group Accident Plan became effective February 1, 1968, and is available to all faculty and staff members under age 70 appointed to one-half time or more. Eligible employees can join the plan either during the first 60 days of their employment or during an annual enrollment period in December of each year for coverage effective February 1.
9. 2 Coverage under the Group Accident Plan is provided to insure against accidental death (in such areas as travel by automobile and travel on an aircraft being used solely for the transportation of passengers, and the coverage is extended to travel outside of the United States). The death benefit is also provided if an individual becomes totally disabled while insured before age 60 as a result of an accident of the type covered by the plan. Scheduled dismemberment benefits are also provided for specified losses.
9. 3 The amount of coverage that may be selected ranges in multiples of \$10,000 from the minimum of \$20,000 to the maximum of \$200,000; however, no eligible employee may select an amount of coverage that exceeds 10 times his annual salary (for academic personnel the 12-month equivalent of their 9-month contract salary is used in computing the maximum amount of coverage allowable). Employees who elect coverage for themselves may also take coverage for their spouses in an amount between \$10,000 up to a maximum of 50 per cent of the amount actually taken for themselves. Unmarried children under age 19 are automatically covered for \$1,000 from the spouse's coverage, unless waived by the employee. Also, unmarried children 19 years of age and over who are regularly attending school and depend solely upon the employee for support are eligible as dependents until their 23rd birthday.

(h) Chapter VII was amended by deleting Section 2 and its subsections and by renumbering the remaining sections and their subsections accordingly. (See Page 45 .)

(i) Of Chapter VII, subsections 3. 1, 3. 3, 5. 2, and 5. 4 and Section 7 were amended to read as follows:

3. 1 An actual physical inventory of property of The University of Texas System shall be made each fiscal year in accordance with Chapter 356, Acts of the 52nd Legislature, Regular Session, 1959, as amended (Article 6252-6, Vernon's Texas Civil Statutes), and in compliance with the "Manual of Instruction - Property Inventory Procedures," issued by the State Comptroller. The Chief Business Officer of each component institution shall issue the necessary implementing instructions.

3. 3 Inventories as of August 31 include all equipment on hand and vouchered for payment, listed at cost plus freight. All nonconsumable property valued at \$50 or more per unit is equipment subject to inventory. Items that are worn out or discarded shall be deleted in accordance with instructions furnished.

5. 2 The terms of the policies covering the risks indicated above are negotiated by the Executive Vice-Chancellor for Fiscal Affairs or his delegate in accordance with procedures approved by the Chancellor or the Deputy Chancellor and the Board of Regents.

5. 4 At the time a loss occurs applicable to either System-wide or individual insurance policies, the System Comptroller shall be notified by the appropriate business officer, and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be approved by the Chancellor or the Deputy Chancellor as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents.

Sec. 7. Safe and Vault Combinations. --The combinations to all vaults and safes used by component institutions shall be filed under seal with the institutional business officer or other authorized person designated by the institutional head.

(j) Of Chapter X, Sections 4 and 6 and subsections 8. 1, 8. 4, 9. 5, 9. 7, 9. 9, 9. 10, and 10. 1 were amended to read as follows:

Sec. 4. Rentals and related policies and rates for dormitories and housing facilities shall be approved in advance by the institutional head, the Deputy Chancellor, the Chancellor, and the Board of Regents.

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

8. 1 At least eighteen copies of the minutes of all meetings of the Board of Directors of Texas Student Publications, Inc., shall be delivered promptly to the President of The University of Texas at Austin for

distribution to the Chancellor, the Deputy Chancellor, the Executive Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such members of the U. T. Austin administration as the President of The University of Texas at Austin may direct. No action of the Board of Directors of Texas Student Publications, Inc., shall have any force or effect until it has been approved by the Board of Regents.

- 8.4 Within ninety days following the close of each fiscal year of Texas Student Publications, Inc., there shall be furnished to the Chancellor for distribution to the members of the Board of Regents, the Secretary to the Board of Regents, and to such members of the administration as the Deputy Chancellor or the Chancellor may direct, at least fifteen copies of a complete audit of the fiscal affairs of Texas Student Publications, Inc., during the preceding fiscal year, prepared by a certified public accountant selected by the Board of Directors of Texas Student Publications, Inc.
- 9.5 At least eighteen copies of the minutes of all meetings of the Board of Directors and the Executive Committee shall be delivered promptly to the President of The University of Texas at Austin for distribution to the Chancellor, the Deputy Chancellor, the Executive Vice-Chancellor for Academic Affairs, the members of the Board of Regents, the Secretary to the Board of Regents, and such other members of the U. T. Austin administration as the President of The University of Texas at Austin may direct. No budget or budget amendment adopted by the Board of Directors of the Texas Union, or of any committee or subcommittee of such Board, shall have any force or effect until such budget or budget amendment has been approved by the Board of Regents.
- 9.7 Within ninety days following the close of each fiscal year of the Texas Union, there shall be furnished to the President of The University of Texas at Austin for distribution to the Deputy Chancellor and the Chancellor, to the members of the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct, at least 15 copies of a complete audit of the fiscal affairs of the Texas Union during the preceding fiscal year.
- 9.9 The Union Director shall serve as chief executive official in the Union Building. The Board of Directors of the Texas Union shall recommend annually on June 1 through the President of The University of Texas at Austin to the Deputy Chancellor and the Board of Regents the appointment of the Union Director. His term of service shall extend from September 1 through the following August 31. The Union Director shall have responsibility for the day-to-day operation of the Union Building and its program of activities. He shall be charged with coordinating the various functions of the Building and the interests of the various groups served by the Building. The Union Director shall recommend for appointment, and with the approval of the Board of Directors of the Texas Union, shall employ all subordinate employees. He shall supervise and direct their work. The Union Director shall be a member of all committees without vote. On May 1 annually he shall make a complete report to the Board of Directors of the Texas Union covering the activities in the Union Building. The

report shall be transmitted through the President of The University of Texas at Austin to the Deputy Chancellor and the Chancellor, to the Board of Regents, to the Secretary to the Board of Regents, and to such other members of the administration as the President of The University of Texas at Austin may direct. The Union Director shall perform such additional services as may be required by the Board of Directors and approved by the Board of Regents.

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

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

(k) Of Chapter XI, Sections 1, 3, and 5 were amended to read as follows:

Sec. 1. Research and Training contracts, grants, or agreements with outside agencies shall be approved by the institutional head, and ratified via the institutional dockets by the Board of Regents. (The Chancellor or the Deputy Chancellor may modify this requirement at his discretion for certain contracts and grants by issuing appropriate instructions for so doing.) Funds shall not be encumbered or expended under any such contract or grant prior to approval thereof.

Sec. 3. Copies of research and training contracts, grants, and agreements specified in Section 1 of this chapter shall be filed with the Office of the Secretary to the Board of Regents, together with a copy of the proposal or application, if any, that resulted in the contract, grant, or agreement.

Sec. 5. Proposals as to overhead rates on cost-reimbursement contracts and other government contracts and grants shall be worked out in preliminary form by the chief business officer concerned and shall be reviewed and approved by the System Comptroller before being submitted. Subject to approval of the Executive Vice-Chancellor for Fiscal Affairs, the System Comptroller shall negotiate all such overhead rates for the component institutions of The University of Texas System.

SEP 12 1969

REGENTS' RULES AND REGULATIONS, PART TWO: AMENDMENTS TO CHAPTERS I, II, III (GIFTS AND GENERAL POLICIES), AND XII (RESIDENCE). --In order to incorporate in the Regents' Rules and Regulations, Part Two (fiscal regulations) the appropriate provisions of House Bill No. 2 (Appropriations Bill for 1969-70 and 1970-71), 61st Legislature, Second Called Session, 1969, the following amendments to Part Two of the Regents' Rules and Regulations were adopted:

- a. Chapters I, II, and III were amended to read as follows:  
(Pages 55-76 )

## CHAPTER I

### GENERAL

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

- 1.1 The authority to accept gifts to The University of Texas System or to any of the component institutions is vested in the Board of Regents of The University of Texas System.
- 1.2 Recommendations for the acceptance of gifts showing details as to value, form, stipulations regarding use, and provisions for custody and disbursement of funds shall be transmitted by the institutional head to the Chancellor and by him, with recommendations, to the Board of Regents. These provisions, however, do not apply to contracts with public agencies.
- 1.3 The authority to accept gifts to a component institution is delegated to the institutional head when the gift is to a fund, foundation, or enterprise already approved by the Board of Regents or is a continuation of a series which has been previously approved by the Board. Each institutional head is empowered to accept cash gifts to a component institution of The University of Texas System of \$1,000 or less, within the policies of the Board of Regents and Legislature governing the acceptability of gifts, and to deposit such gifts to the appropriate accounts. All gifts (except those described in Subsection 1.4 below) shall be reported by the dockets of each component institution as prescribed by the Office of the Board of Regents.
- 1.4 A semi-annual report of such gifts of less than \$1,000 showing name and address of donor, amount, purpose, and date of the gift shall be filed in the Office of the Board of Regents within thirty (30) days after August 31 and February 28 of each year. Such reports from The University of Texas M. D. Anderson Hospital and Tumor Institute at Houston exclude gifts of \$25 or less.
- 1.5 Except as provided in the preceding sections, no member of the staff of any institution has the authority to accept gifts of money to The University of Texas System or to any of its component institutions. Gifts to the component institutions of books or other objects of very small value and very obvious propriety, without conditions attached, may be accepted by individual members of the staffs provided these gifts are reported to the Board.

- 1.6 Neither The University of Texas System nor any of its component institutions will accept a gift for the benefit of any designated student unless the donor is exempt from Federal Income Taxes as defined by the Commissioner of Internal Revenue.
- 1.7 The acceptance of gifts of real property is prohibited without prior express approval of either the Coordinating Board, Texas College and University System, or the Legislature except for establishing scholarships, professorships, or other trust funds for educational purposes and then only on condition that such gifts will not hereafter require legislative appropriations for maintenance, repair, or construction of buildings. (Current Appropriation Bill)

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

- 2.1 After gifts for fellowships, scholarships, and loan funds have been accepted by the Board of Regents, as indicated previously, they are administered jointly by designated committees and the business office of each component institution.
- 2.2 In the case of scholarships and fellowships, the appropriate committee, or designated individual, receives applications, makes the necessary inquiries, and determines the award. The committee advises the institutional head of the award and he, in turn, approves and forwards the notice of award to the business office. Payments on scholarships and fellowships are made through the business office of the component institution.
- 2.3 In the case of loan funds, the appropriate committee receives applications for loans, makes the necessary inquiries, and approves or declines the original loan as well as all renewals and extensions. The chairman notifies the business office of the granting of loans, and all records including notes, cash, accounts and collections are thereafter handled by that office. The principal of loan funds is kept intact 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. Tuition and Other Fees. -- Tuition and other fees will be fixed as prescribed or as authorized by statute, and will be set out in the institutional catalogue.

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

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

Sec. 6. General Admission Policy. -- The University of Texas System will make maximum use of its resources to admit and educate as many qualified students as

possible, consistent with accreditation standards and consistent with maintaining a high quality of education. Neither the faculty nor students of any component institution will solicit or recruit for admission to that institution any person who cannot meet the usual academic requirements for admission to that institution. Other than for the exceptions set forth in the General Appropriation Act, no funds appropriated by the Legislature, including local institutional funds, may be expended for the recruitment of students, whether qualified or unqualified.

- Sec. 7. Admission of Nonresident Students. --No nonresident of the State of Texas shall be enrolled as a new or transfer student in any school, college, or degree-granting program at any component institution of The University of Texas System when all of the three following conditions occur: (1) when there is a limitation on the number of students that will be enrolled in the class or group of new or transfer students of which such nonresident would be a member if he were enrolled; (2) when the result of enrolling such nonresident would be to increase to 15.1% or more the percentage of nonresidents enrolled in the class or group of which such nonresident would be a member if he were enrolled; and (3) when at the time of the proposed enrollment of such nonresident, admission to the school, college, or degree-granting program is being denied to one or more Texas residents who have applied for admission and who have reasonably demonstrated that they are probably capable of doing the quality of work that is necessary to obtain the usual degree awarded by the school, college, or degree-granting program.
- Sec. 8. Limitation of Nonresident Enrollment in Professional Schools. --The current appropriation bill provides that none of the moneys appropriated by this Act, regardless of the source or character of such moneys, may be expended for the establishment, operation, or maintenance, or for the payment of any salaries to the employees in any wholly or partially state-supported medical, dental, or law school (a) which imposes a limitation on the number of students that it admits, (b) which in an academic semester denies admission to one or more Texas residents who apply for admission and who reasonably demonstrate that they are probably capable of doing the quality of work that is necessary to obtain the usual degree awarded by such school, and (c) which in the same academic semester admits, as either beginning or transfer students, nonresidents of the State of Texas in a number greater than 10% of the beginning or transfer group of which such nonresidents are a part. By the provisions of this paragraph it is intended to withhold funds appropriated by this Act from state-supported medical, dental, and law schools which limit their enrollments and which fill more than 10% of their classes with nonresident students, when the result of admitting each nonresident is thereby to deny admission to a qualified Texas applicant.

## CHAPTER II

### ACCOUNTING, AUDITING, REPORTING, AND BUDGETARY CONTROL

#### Sec. 1. Types of Funds.

##### 1.1 Current Funds.

- 1.11 General. --General Funds are those unrestricted operating funds which are available for any purpose. They are expended in accordance with the budgets and appropriations approved by the Board of Regents. General Budget Funds balances shall not be reappropriated from one fiscal year to another unless specific approval is given by the Chancellor or the Deputy Chancellor and the Board of Regents.
- 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 University of Texas 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. They are subject to the same restrictions as General Budget 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, foundation, 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 of Regents. The accounting for the funds will be on the accrual basis; however, in financial reporting, the amounts reported as revenues are limited to the expenditures. Unless otherwise specified, balances are automatically reappropriated at the end of each fiscal year.

- 1.2 Loan Funds. --Those funds that have been set aside for loans to be granted to students, faculty, or staff, including interest earned thereon.

##### 1.3 Endowment and Similar Funds.

- 1.31 Endowment Funds. --Those funds that donors have stipulated, as a condition of gift, that the principal is to be maintained inviolate in perpetuity, or in the case of "term" endowments to be maintained inviolate for a specified term. All endowment funds are administered by System Administration as provided in Part Two, Chapter IX.
- 1.32 Quasi-endowment Funds. --Funds functioning as endowment as a result of determination by the Board of Regents that they are to be retained and invested. All quasi-endowment funds are administered by System Administration as provided in Part Two, Chapter IX.

- 1.4 Annuity and Life Income Funds. --Those funds acquired by The University of Texas System subject to annuity contracts, living trust agreements, or gifts and bequests reserving life income to one or more beneficiaries.
- 1.5 Plant Funds.
  - 1.51 Unexpended Plant Funds. --Funds specified by the Board of Regents or by external sources for the acquisition, construction, or improvement of physical properties to be used for institutional purposes.
  - 1.52 Retirement of Indebtedness Funds. --Funds specified by the Board of Regents or by external sources to be set aside to meet debt service charges and the retirement of indebtedness on institutional plant assets.
- 1.6 Agency Funds.--Those funds received and held by The University of Texas System as custodian or fiscal agent for others. Agency funds shall be expended in accordance with the limitations of the agency agreement.

Sec. 2. Accounting.

- 2.1 The financial records of The University of Texas System shall be kept as nearly as practicable in accordance with the recommendations set forth in "College and University Business Administration, Revised Edition," published by the American Council on Education. Where those recommendations conflict with statutes or with regulations of the Coordinating Board, Texas College and University System, the latter shall be controlling.
- 2.2 All accounting records and procedures shall be subject to the approval of the institutional business officer and the Executive Vice-Chancellor for Fiscal Affairs, or his delegate.
- 2.3 The business office of each component institution shall be the central office for accounting control for all financial transactions of the institutions. The institutional chief business officer shall confer with departmental and administrative officials and instruct them concerning the records of financial transactions to be kept by the departments, as indicated in the next subsection.
- 2.4 Each departmental head shall keep an account of funds and property for which he is responsible, as detailed as necessary to supplement the business office records.
- 2.5 All expenditures must be in accordance with the approved institutional operating budget.
- 2.6 Statements of departmental accounts shall be prepared monthly by the business office and shall be sent periodically to the department heads who will compare their records with those of the business office and report any differences promptly to the business office.
- 2.7 A person in each department may be designated by the department head, with the approval of the institutional head, to sign vouchers, requisitions, etc., in his absence. These designations shall expire at the end of a fiscal year, or sooner if specified, and must be renewed each year.

### Sec. 3. Auditing.

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

### Sec. 4. Reporting.

- 4.1 All financial reports shall be prepared in accordance with the provisions of the statutes, official directives of the Coordinating Board, Texas College and University System, and directives of the Board of Regents, and in conformity with the manual, "College and University Business Administration, Revised Edition," referred to above. The reports shall be prepared by the institutional chief business officer and approved by the Executive Vice-Chancellor for Fiscal Affairs or his delegate.
- 4.2 Two reports, both of which shall be prepared under the direction of the institutional chief business officers and the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, shall be prepared annually:
  - 4.21 Annual Financial Report. --On or before December 29, printed financial reports, in the format recommended in Volume I, "College and University Business Administration" (1952), or its successor publication, shall be filed with the Coordinating Board, Texas College and University System. The certificate of audit of the State Auditor is to be included if this report has been completed.

- 4.22 Salary Payment Report. --On or before December 31 each year, an itemized report in format prescribed by System Administration shall be prepared of salaries and wages paid all employees for services during the preceding fiscal year out of any funds from any source or character under the control and/or custody of the Board of Regents, showing for each employee the total amount paid from each source during the twelve months of the fiscal year, the title of the position held or kind of service rendered. Three copies of this report shall be prepared by component institutions, one copy for the Executive Vice-Chancellor for Fiscal Affairs, one copy for the Secretary to the Board of Regents, and one copy for the System Comptroller.
- 4.3 Monthly financial reports, in the form prescribed by the Executive Vice-Chancellor for Fiscal Affairs, or his delegate, shall be prepared by each institutional chief business officer and distributed to the institutional head, the Deputy Chancellor, the Secretary to the Board of Regents, and the System Comptroller.

Sec. 5. Operating Budgets.

- 5.1 Operating Budgets for all the component institutions shall be approved annually by the Board of Regents within the budget estimates of income prepared by the institutional business officer and the institutional head approved by the Executive Vice-Chancellor for Fiscal Affairs.
- 5.2 General policies for the budget preparation shall be recommended by the Chancellor and the Deputy Chancellor to the Board of Regents and shall be followed in preparing the budgets. Instructions for details of budget preparation shall be furnished to the institutional heads by System Administration.
- 5.3 The institutional heads shall issue local instructions and shall furnish forms to the budget-recommending officials. Their recommendations for salaries, maintenance and operation, equipment, travel, and other pertinent items shall be reviewed by the institutional head and transmitted, with his recommendations, to the Deputy Chancellor for review and recommendation to the Chancellor and the Board of Regents.
- 5.4 Rules and procedures for budget administration shall be prepared by System Administration, approved by the Board of Regents, and shall be included in the completed budgets.
- 5.5 A copy of each budget, and any subsequent amendments thereto, shall be filed with the Legislative Reference Library to be available for public inspection.

Sec. 6. Legislative Budget Requests.

- 6.1 Legislative budget requests, biennial or otherwise, as may be required shall be submitted to the Coordinating Board, Texas College and University System, to the Legislative Budget Board, and to the Executive Budget Office in the form and at the time prescribed.

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

6.21 Approval of budget-writing policies by the Board of Regents upon recommendation of the Chancellor and the Deputy Chancellor.

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

6.23 Approval of the completed budget by the Deputy Chancellor, the Chancellor, and the Board of Regents.

Sec. 7. Transfer of Funds. --Out of funds appropriated by the Legislature to The University of Texas Medical Branch at Galveston, The University of Texas (Southwestern) Medical School at Dallas, and The University of Texas Medical School at San Antonio, the Board of Regents of The University of Texas System may transfer funds between the three medical units listed above, of The University of Texas System, as it deems necessary, except that transfers may not be made into or out of the appropriation item for the salary of the president or dean of the medical units.

## CHAPTER III

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

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

- 1.1 No department, division, or individual staff member is authorized to receive money in the name of a component institution of The University of Texas System unless authorized by the institutional chief business officer and institutional head.
- 1.2 An official receipt in the form prescribed by the institutional chief business officer shall be issued to payors for all moneys received unless the chief business officer has specifically authorized exceptions for certain types of collections.
- 1.3 All moneys received shall be recorded and handled under the maximum appropriate internal accounting controls. Mechanical devices such as cash registers, cash control and posting machines, and data processing equipment shall be utilized to the fullest extent practicable.
- 1.4 Admission tickets, including complimentary tickets, shall have the price of admission indicated thereon, and all such tickets shall be prenumbered, except for certain events where the section, row, and seat number are shown. Admission tickets and coupon books shall be purchased for delivery to the institutional business office and issued to the department concerned. Unused tickets or books shall be returned along with a prescribed ticket report to the business office within 30 days from the date of the event, and a list showing the names of all persons receiving complimentary tickets shall be furnished the business office as a part of the prescribed ticket report.
- 1.5 All unpaid (including complimentary, free, or discounted) charges for sales or services of auxiliary enterprises, organized activities, or service departments or similar activities shall be reported to and recorded by the business officer under maximum appropriate internal accounting controls. A list or other documentation showing the names of all persons receiving complimentary, free, or discounted goods or services and the values thereof shall be furnished the business office within 30 days from the date such goods were issued or such services were rendered by any auxiliary enterprise, organized activity, or service department or similar activity.

#### Sec. 2. Deposits with Institutional Business Office.

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

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

Sec. 3. Deposits with the State Treasurer.

- 3.1 The current appropriation bill requires that all cash receipts of the general academic teaching institutions be deposited in the State Treasury with the exception of those from auxiliary enterprises, noninstructional services, matriculation fees collected in lieu of student activity fees, agency and restricted funds, endowment funds, student loan funds, and Constitutional College Building Amendment Funds.
  - 3.11 To facilitate the transferring of institutional receipts to the State Treasury, it is provided that each institution may open a clearing account in a local depository bank to which it deposits all receipts daily.
  - 3.12 Not less than every seven days, the institutional business officer shall make remittances to the State Treasury in the form of checks drawn on the clearing account except that a balance of not more than \$500 may be maintained.
  - 3.13 The money deposited in the State Treasury shall be paid out via State warrants.
- 3.2 Optionally, the component institutions may use local depository bank accounts instead of the special clearing accounts within the general requirements for deposits and transfers to the State Treasury.
- 3.3 Component institutions of The University of Texas System are authorized by the current appropriation bill to maintain Revolving Funds to facilitate the payment of nominal expenses and to pay bills within cash discount periods.
  - 3.31 These revolving funds may be used for regular monthly payrolls as well as for weekly and special payrolls.
  - 3.32 Disbursements from the revolving funds are reimbursed from state appropriations on claims filed with the State Comptroller under regularly prescribed procedures. One voucher and one warrant may cover a number of claims for this purpose. Reimbursement claims must meet the same requirements as other claims against state appropriations. Each component institution shall prepare a reimbursement claim as of the close of business on the last day of each month or more often as may be expedient to avoid maintaining large revolving funds.
  - 3.33 The Board of Regents shall determine the amounts of the revolving funds and shall designate a depository bank for each such fund, specifying persons authorized to sign checks drawn on such funds. Depository banks shall secure revolving fund deposits as provided by law.
- 3.4 Under the current appropriation bill, any money deposited into the State Treasury which is subject to refund as provided by law shall be refunded from the fund into which such money was deposited.
- 3.5 The current appropriation act provides correction procedures should clerical or bookkeeping errors result in any moneys being deposited or cleared into incorrect funds in the State Treasury. Such erroneously

deposited or cleared moneys may be transferred to the correct fund or trust and suspense account within the State Treasury upon request of the component institution with the concurrence of the State Comptroller and the State Auditor.

- 3.6 Central Services Accounts and Special Revolving Fund Accounts (Service Departments). Under the current appropriation bill:
- 3.61 The Board of Regents of The University of Texas System may employ persons to serve two (2) or more parts of The University of Texas System jointly and to pay their salaries in whole or in part from the appropriations made therein to any component unit of The University of Texas System.
- 3.62 The Board of Regents of The University of Texas System is authorized to establish The University of Texas System Central Services Accounts from which salaries and expenses for the administration, supervision, and operation of parts of The University may be paid to and to require the parts of The University System, and including any agency which may be placed under the administration of the Board of Regents of The University of Texas System by law to pay into this account from any local fees or funds or from moneys appropriated by the Legislature, their proportionate shares as determined by the Board of Regents of The University of Texas System for the expense and administration of said University. The Comptroller of Public Accounts is authorized to set up an account with the above caption and to deposit in said account funds to the amount authorized by the Board of Regents, from funds appropriated by the Legislature to the parts of The University of Texas System for non-instructional salaries and general operating expenses. The Comptroller is authorized to draw warrants against this Account based on vouchers submitted by The University of Texas System in payment of salaries, maintenance, equipment or travel incident to the administration and supervision of the parts of The University of Texas System. The State Treasurer is hereby authorized and directed to pay warrants so issued against any funds except instructional salaries appropriated by the Legislature to the parts of said University.
- 3.63 Appropriations to The University of Texas System and to any of the component units or parts of The University of Texas System, except funds appropriated exclusively for salaries, may also be used to reimburse any Revolving Fund operated for the benefit of one or more parts of said University System, such as a motor pool for managing automotive vehicles authorized by this Act, an office supply or laboratory supply center, utility plants, or any other operation of a similar nature established by authority of the Board of Regents of The University of Texas System.
- 3.64 Travel expense incurred by a person employed by one component unit of The University of Texas System in connection with service to another component unit may be reimbursed by the unit for which such services are performed, or proportionately if several units are involved.

Sec. 4. Local Institutional Funds.

- 4.1 All local income, not required to be deposited in the State Treasury, must by law be deposited in official depository banks for safekeeping.

4.11 Depository agreements with official depository banks shall be negotiated, as necessary, by the Executive Vice-Chancellor for Fiscal Affairs or his delegate with those banks approved by the Board of Regents and in accordance with the then current policies of the Board. Such depository agreements shall be executed by the Chairman of the Board of Regents.

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

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

4.3 The Board of Regents and the institutional heads may not, by law, borrow money from any person, firm, or corporation to be repaid from local funds except as specifically authorized by the Legislature.

4.4 Interest on Time Deposits. --As permitted by statute, interest received from depository banks for funds on time deposit shall be credited to appropriate accounts in either general funds or trust funds in relationship to the sources of balances on time deposit, provided that disposition of such earning was not specified by the grantor. Interest received from Current Restricted funds (Trust Funds) time deposits shall be subject to further appropriation or transfer by the Board of Regents for any lawful purpose.

Sec. 5. Sales to U. T. Employees. --Sales of surplus equipment may be made to employees of The University of Texas System or of any of its component institutions only after authorization by the Board of Regents through docket approval.

Sec. 6. Vouchers for Expenditures.

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

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

6.2 Maximum internal accounting controls should be exercised over the vouchering and disbursement procedures.

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

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

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

6.4 If two or more invoices from the same vendor are to be paid, payment may be by one voucher, even though covered by more than one requisition and/or purchase order except:

6.41 Separate vouchers shall be prepared for contract and noncontract invoices on purchases through the Board of Control.

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

Sec. 7. Cash Discounts. -- The accounting procedures should be designed to assure realization of advantageous cash discounts allowed by vendors.

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

8.1 When materials, supplies and other items are purchased through the Board of Control, the original copy of the prescribed purchase voucher form (or the attached invoice) must include a signed certification by the vendor in the form indicated below:

CERTIFICATION

I, \_\_\_\_\_, do hereby certify that I am \_\_\_\_\_, and that I am duly authorized

(Title of person certifying)

to make this certification for and on behalf of \_\_\_\_\_

(Name of Payee

\_\_\_\_\_  
company/claimant)

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

\_\_\_\_\_  
(Signature)

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

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

Sec. 10. Outstanding Checks.

10.1 Outstanding checks shall be carried on the official accounting records for the two fiscal years following the year in which they are issued.

(Example: if issued in 1964-65, they would be carried through August 31, 1967.) Those still outstanding at the end of the second fiscal year after issue shall be cancelled and written off the official accounting records.

10.2 Each business office is expected to make diligent effort to minimize the number of such outstanding checks.

Sec. 11. Institutional Membership Dues. -- Funds of The University of Texas System may be used to pay membership fees only in educational, scientific, or other associations, in which the System, or a component institution thereof, is an institutional member, with initial memberships approved by the institutional heads and the Chancellor or Deputy Chancellor.

Sec. 12. Payrolls.

12.1 There are three general types of payrolls, those for (1) regular salaried employees; (2) weekly salaried employees; and (3) hourly salaried employees.

12.2 All payrolls shall be prepared or verified in the business office from regular budgets, appointment documents, authorizations, time cards, etc., and approved by the chief business officer or a person designated by him.

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

12.4 Deductions for income tax, teacher and employee retirement, and social security, as well as group life insurance, authorized health insurance, tax-sheltered annuities, and savings bonds, are made where applicable on all payrolls.

12.5 Dates for distribution of salary checks vary at the component institutions and will be announced by the respective business offices.

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

13.1 Absence from Usual and Regular Duties.

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

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

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

- 13.2 Authorization for Absence for Staff Members Whose Regular Duty Does Not Require Travel. --Authorization for absence from usual and regular duties, including travel from the city or town where the officer or employee is regularly stationed, will be granted by the Board of Regents, or by the administrative officer as hereinafter delegated by the Board, only in advance, as follows:
- 13.21 Requests for authorization to be absent for a period not in excess of two weeks (fourteen calendar days) shall be transmitted through proper administrative channels to the executive head of the component institution for approval.
  - 13.22 Requests for authorization to be absent for a period in excess of two weeks, but not in excess of twenty-nine days, including travel on official business, shall be transmitted through proper administrative channels to the Deputy Chancellor for approval prior to such absence.
  - 13.23 Requests for authorization to be absent for a period in excess of twenty-nine days, (excluding holidays approved by the Board), including travel on official business, shall be transmitted through proper administrative channels to the Deputy Chancellor for approval prior to such absence. Such approvals are to be reported in the regular dockets of the institutions affected.
  - 13.24 Requests for authorization to be absent by the administrative officers and staff of System Administration shall be approved by the Chancellor or Deputy Chancellor.
  - 13.25 Any travel which contemplates reimbursement from funds appropriated by the Legislature for travel expenses incurred must have the advance written approval of the Governor, with the exception of travel to, in, and from the several states, United States possessions, Mexico, and Canada. Prior written approval of the Chancellor or Deputy Chancellor is required for travel expenses incurred in Canada and Mexico, in addition to the authorizations required in the preceding subsections.
  - 13.26 In lieu of any of the delegations of authority to approve absence from usual and regular duties, including official travel, specified in the above subsections, the Chancellor or Deputy Chancellor may exercise such authority.
  - 13.27 The institutional heads of the component institutions shall keep records of all approved absences which shall be available for review by the Chancellor, the Deputy Chancellor, the Board of Regents, or other duly authorized officers of The University of Texas System.
  - 13.28 Approvals of travel shall not be routine or perfunctory, but shall be made only after the institutional head, or his authorized representatives, have carefully examined the purpose and need for each trip with a view to the economic and effective utilization of all travel funds.
- 13.3 Travel Expense Reimbursements.
- 13.31 Travel expenses shall be reimbursed only from funds appropriated or authorized for travel. Heads of component institutions shall plan the travel of all employees under their authority to achieve maximum economy and efficiency.
    - 13.311 Each travel voucher submitted for reimbursement shall include such a description as to identify persons or places contacted and/or the nature of the official business of the State performed within the legal responsibil-

ities of the institution.

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

- 13.312 In submitting travel vouchers for payment from funds in the State Treasury, component insititutions should recognize the regulations of the State Comptroller with respect to travel expense accounts, including the provision that "No travel expense account can be presented for payment until after the month in which it is incurred," and the interpretation that not more than one travel voucher is to be submitted for each month. When there is more than one trip a month by a staff member, all such trips should either be combined on the same travel voucher, or separate vouchers should be combined under a single "cover" voucher for submission to the State Comptroller.
- 13.32 Travel vouchers for reimbursement of all official travel authorized pursuant to the foregoing provisions shall be approved and signed as follows:
- 13.321 System Administration - Reimbursement for all travel by employees of the component institutions shall be approved either by the Chancellor, Deputy Chancellor, Executive Vice-Chancellor for Fiscal Affairs or by the Director of Accounting or Assistant Director of Accounting of The University of Texas at Austin.
- 13.322 Component Institutions - Reimbursement for all travel by employees of the component institutions shall be approved either by the Chancellor, the Deputy Chancellor, or by the administrative officers designated below:  
Chief Administrative Officer (President or Dean) or Chief Business Officer (Vice-President for Business Affairs, Associate Dean for Business Affairs, or Business Manager) or other senior administrative or fiscal officers as may be delegated in writing by the Chief Administrative Officer and the Chief Business Officer. Such delegations shall be approved by the Executive Vice-Chancellor for Fiscal Affairs and filed with the Secretary to the Board of Regents and the State Comptroller of Public Accounts, together with the names of the individuals occupying the positions named.
- 13.33 Per Diem Allowances. --Travel Status for Continuous Period of Twenty-Four (24) Hours or More--An employee who is traveling on official University business and is in continuous travel for a period of twenty-four (24) hours or more will be reimbursed at per diem rates, in lieu of actual expenses for meals and lodging, in accordance with the following schedule:

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

13.34 Partial Per Diem for Meals and Lodging.

13.341 An employee who is traveling on official University business for a continuous period of a minimum of six (6) hours but less than twenty-four (24) hours which does not involve over-night stay will be reimbursed a partial per diem for meals in lieu of actual expenses. In no event will the total of this partial per diem allowance exceed \$4.00 per day, and individual meal allowances will not exceed the following:

13.3411 Breakfast allowance if the employee departs from designated headquarters before 7:00 A.M. (or, in the case of his return to designated headquarters after 7:00 A.M.).....\$1.50

13.3412 Lunch allowance if the employee is away from his designated headquarters after 1:00 P.M. ....\$2.00

13.3413 Dinner allowance if the employee is away from his designated headquarters after 7:00 P.M. ....\$3.00

13.342 An employee who is traveling on official University business for a continuous period of a minimum of six (6) hours but less than twenty-four (24) hours which does involve over-night stay will be reimbursed for meals and lodging in an amount not in excess of \$14.00 at the rate of \$3.50 for each six (6) hour period involved or fraction thereof (at least 2 hours).

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

13.36 Day Defined for per Diem Purposes.

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

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

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

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

13.37 Transportation Allowance.

13.371 Rented or Public Conveyance Including Taxis. --An employee traveling by rented or public conveyance, or the commercial transportation company furnishing same, is entitled to a transportation allowance equal to the actual cost of necessary transportation for performing official business, excluding Federal tax. Payment of said transportation allowance may be made by either of the following methods, upon selection by the Chancellor or Deputy Chancellor or the head of the component institution, in advance of authorized official travel.

- 13.3711 Where the employee pays for public transportation, including taxis, from his personal funds, receipts for such necessary transportation, excluding receipts for city bus, taxi or limousine fares in amounts of \$2.50 or less (whether in or out of city limits, or between two cities), shall be obtained and attached to the employee's expense account when submitted. A detailed list of all claims for rented or public transportation including city bus, taxi, and limousine fares in amounts of \$2.50 or less shall be shown on the Travel Expense Account under "Record of Transportation Claimed for Each Trip."
- 13.3712 The Chancellor, Deputy Chancellor or heads of component institutions may request commercial transportation companies to furnish required transportation for official business to designated employees of System Administration or such institutions upon the presentation to cooperating transportation companies of transportation requests approved by the Chancellor, Deputy Chancellor or the head of the institution requesting such transportation. The transportation request shall specify the class of transportation authorized. The monthly billings for such transportation services from the transportation company will be vouchered on a regular purchase voucher, showing the detail why each trip listed was necessary in the operation and maintenance of the institution.
- 13.372 Private Automobile. --An employee traveling in his personally owned automobile shall be reimbursed at the rate of ten cents (10¢) per mile on the basis of the shortest practical route between points. No additional expense incidental to the operation of such automobile shall be allowed.
- 13.3721 "Shortest practical route" as indicated above shall include the use of Farm-to-Market roads in the State of Texas. The latest official highway map published by the State Highway Department, a standard highway map for out-of-state travel, or an alternate procedure designated by the State Comptroller shall be used for computing such mileage.
- 13.3722 When two or more employees travel in a single private automobile, only one shall receive a transportation allowance, but this provision shall not preclude each traveler from receiving a per diem allowance.
- 13.3723 When two, three, or four officials or employees of System Administration or one of the component institutions of The University of Texas System with the same itinerary on the same dates are required to travel on the same official state business for which travel reimbursement for mileage in a personal car is claimed, mileage reimbursement will be claimed and allowed for only one of

the employees except as provided hereafter. If more than four employees attend such meeting or conference in more than one car, full mileage reimbursement shall be allowed for one car for each four employees and for any fraction in excess of a multiple of four employees. If, in any instance, it is not feasible for these officials or employees to travel in the same car, then prior official approval from the Chancellor or Deputy Chancellor for System Administration, or the head of the component institution for employees of that institution, shall be obtained and shall be considered as authorization and the basis for reimbursement for travel for each person authorized to use his personal car in such travel.

13.3724 Reimbursement for out-of-state transportation for the use of personally owned automobiles together with per diem shall never exceed the cost of commercial first class transportation from the nearest airport and the per diem required had the employee traveled by such conveyance. The determination of the allowances due owners of personally owned automobiles in compliance with this paragraph shall be as follows: (1) Per diem shall be determined by the use of an airline schedule which would have sufficed for the performance of the official business. (2) Expenses of Transportation to airfields from points where airports are not available shall be allowed in addition to the cost of first class commercial air transportation. (3) When additional passengers are conveyed on out-of-state trips in personally owned automobiles they shall receive as their expenses per diem based on automobile travel time. (4) Persons traveling to points not served by airlines shall receive mileage and per diem based on actual miles traveled and other expenses as authorized elsewhere in these regulations.

13.373 Private Airplane. --The current appropriation bill provides that the rate of reimbursement to executive heads and key officials for travel in their personally owned airplanes within the boundaries of Texas and between points of necessary official business shall be sixteen cents (16¢) per highway mile.

13.38 Reimbursement for Dues or Registration Fees. --Reimbursement will not be allowed for dues, registration fees, or similar expense incurred in joining or attending any type of organizations or associations unless the membership is in the name of the State of Texas and/or The University of Texas System or a component institution thereof. Reimbursement will not be allowed for the cost of meals that may be included in the registration fees. Receipts for such dues or registration fees shall be obtained and attached to the expense account. If reimbursement is claimed, vouchers shall include a statement that the membership is in the name of The University of Texas System or the appropriate component institution thereof.

13. 39 Exceptions to per Diem Allowance. --Executive heads of component institutions shall be reimbursed for their actual meals, lodging and incidental expenses (exclusive of expenses related to automobiles for which transportation is paid) when traveling on official business either in or out of the state. Employees of State Agencies designated by the Governor to represent him officially at governmental meetings or conferences when held out of the State shall receive actual meals, lodging, and incidental expenses, and such employees may be reimbursed out of appropriations made to the agencies by which they are employed. Certain administrative officers of the System are authorized and directed by the Board of Regents and the Chancellor to represent The University of Texas System and its component institutions outside the boundaries of the State of Texas, and in such representation they shall receive reimbursement for the actual cost of meals, lodging, and incidental expenses, not to exceed \$35.00 per day in lieu of any fixed per diem allowance. The administrative officers entitled to such reimbursement shall be designated in writing by the Chancellor and Deputy Chancellor upon recommendation of the appropriate Executive Vice-Chancellors, and the list of those designated shall be filed with the Secretary to the Board of Regents. In like manner, two administrative officers from each of the component institutions are authorized and directed by the Board of Regents and the Chancellor to represent The University of Texas System and its component institutions outside the boundaries of the State of Texas, and in such representation they shall receive reimbursement for the actual cost of meals, lodging and incidental expenses, not to exceed \$35.00 per day in lieu of any fixed per diem allowance. The administrative officers entitled to such reimbursement shall be designated in writing by the Chancellor or Deputy Chancellor upon recommendation of the institutional heads, and the list of those designated shall be filed with the Secretary to the Board of Regents.
13. 3(10) Special Exceptions to Foregoing General Travel Regulations. -- The provisions of the foregoing general travel regulations apply to all employees and all funds but employees may elect to take advantage of the specific exceptions authorized below:
13. 3(10)1 Contracts--Travel allowances under research or other contracts, which are 100 per cent reimbursable, will follow the terms of the contract, and in the absence of specifications the travel rules and regulations covering payments from Grants and Trust Funds will apply.
13. 3(10)2 Grants and Trust Funds. --Travel allowances paid from grants and trust funds, unless otherwise specified under the grant or gift, may be on a per diem basis as specified in the foregoing general travel regulations except that a maximum of \$17.00 per calendar day or \$4.25 per quarter day (as defined in Sec. 13.36) per diem rate shall apply to both in-state and out-of-state travel. When anticipated living costs are unusually low for those engaged in travel, the person authorizing the travel may reduce the per diem for all or any part of the travel, provided that the employee shall be notified of such reduced per diem before being allowed to incur any expense. In addition to per diem, costs of public transportation or rented vehicle, supported by receipts for expenses in excess of \$2.50, will be paid.

If transportation is by private car, reimbursement will be paid at a rate not to exceed 10¢ per mile but limited to an amount not in excess of the cost of regular air transportation. When not otherwise prohibited by the terms of the gift or grant, employees may also be reimbursed for required registration fees or similar expenses incurred in attending meetings of organizations or associations. Receipts for registration fees or similar expenses shall be obtained and attached to the expense account.

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

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

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

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

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

Sec. 16. Insurance on Money and Securities. -- As approved by the Board of Regents, The University of Texas System carries a blanket System-wide policy insuring against loss of money or securities at any of the component institutions. The premium paid by each institution is separately computed and is based on the coverage applicable at each institution. At the time any loss occurs at any institution, the System Comptroller shall be notified by the appropriate institutional business officer and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be approved by the Chancellor or Deputy Chancellor as well as by the Comptroller, and shall be reported to the Board of Regents for ratification at the next meeting. Settlements in the amount of \$10,000 or more must have the advance approval of the Board of Regents. Money and Securities coverage may be combined with the blanket position fidelity bond. See Chapter V, Section 2.15.

- b. Chapter XII (Determining Residence Status) was amended to read as follows: (Pages 77-86 )

CHAPTER XII

RULES AND REGULATIONS FOR DETERMINING RESIDENCE STATUS  
PURSUANT TO ARTICLE 2654c, VERNON'S TEXAS CIVIL STATUTES

Effective September 1, 1969

I. MINORS

Statute: Section 1(e)(1) An individual under twenty-one (21) years of age, living away from his family, and whose family resides in another state or has not resided in Texas for the 12-month period immediately preceding the date of registration shall be classified as a nonresident student;

Section 1(e)(2) An individual twenty-one (21) years of age or under whose family has not resided in Texas for the 12-month period immediately preceding the date of registration shall be classified as a nonresident student regardless of whether he has become the legal ward of residents of Texas or has been adopted by residents of Texas while he is attending an educational institution in Texas, or within a 12-month period before his attendance, or under circumstances indicating that the guardianship or adoption was for the purpose of obtaining status as a resident student;

Section 1(f) An individual twenty-one (21) years of age or under whose parents were formerly residents of Texas is entitled to pay the resident tuition fee for the 12-month period immediately following the parents' change of legal residence to another state.

A. Death or Divorce of Parents

The legal residence of a minor under 21 years of age is usually that of the father. Upon the death of the father, the legal residence of the minor is that of the mother. Upon divorce or legal separation of the parents, the residence of the minor is determined by the residence of the parent with whom the minor is making his home at the time of registration.

B. Custody by Court Order

If the custody of the minor has been granted by court order (e.g., divorce decree, child custody action, guardianship or adoption proceedings) to some other person than the parent, the residence of that person shall control; provided, however, that such grant of custody was not ordered during or within a year prior to the minor's enrollment in an institution of higher education (defined as any public junior college, public senior college or university, medical or dental unit or other agency of higher education) and was granted under circumstances indicating that such guardianship was not for the purpose of obtaining status as a resident student.

If the minor is not making his home with either parent, and there is no court-appointed guardian, the residence of the parent with whom the minor last resided shall be presumed to control. If, however, the minor has made his home with, and has been dependent upon a grandparent for more than a year prior to enrollment in an institution of higher education, the residence of that natural guardian shall be regarded as his residence. The residence of a person other than a parent or a natural or legal guardian, who may furnish funds for payment of tuition, fees, or living expenses shall in no way affect the residence classification of a minor.

#### C. Abandoned Child

In the case of an abandoned child, the residence of a person who has stood in loco parentis for a period of time may determine the residence of such abandoned child. The fact of abandonment must be clearly established and must not have been for the purpose of affecting the residence of the minor, and the minor must have actually resided in the home of such person for two years immediately prior to registering in an institution of higher education in Texas and must have received substantially all of his support from such person. In the event that the in loco parentis relationship has not existed for the full two year period, a lesser period of time is acceptable in unusual hardship cases, such as death of both parents.

#### D. Orphan

An orphan who has lived for longer than a year in an established orphan's home in Texas operated by a fraternal, religious, or civic organization and has been graduated from the orphan's home shall be considered a resident of Texas provided he remains in Texas from the time of such graduation until he enters an institution of higher education.

#### E. Emancipated Child

Under certain circumstances, a minor may become emancipated or freed from parental control. If the minor has broken completely with his parents, is in fact residing apart from them, and has been entirely independent and wholly self-supporting, he may establish that he is "emancipated." If emancipation is clearly proved, the residence classification of the minor is determined by the residence of the minor rather than the residence of the parents, and after 12 months in Texas under such circumstances, the minor may be classified as a resident, if he otherwise satisfies the statutory requirements applicable to those over 21 (e.g., see presumption arising from residence while a student). Proof of his emancipation is the responsibility of the minor.

#### F. Married Minors

A minor male who is married shall have the power and capacity of a single person of full age with the exception of the right to vote and is entitled to select his own place of legal residence. After 12 months' residence in Texas under such circumstances the minor may be classified as a resident if he otherwise satisfies the statutory requirements applicable to those over 21 years of age. The legal residence of a minor female who is married is controlled by the legal residence of her husband. The residence classification for tuition purposes of either a nonresident male or female who marries a Texas resident shall be governed by the provisions of the tuition statute and of these rules and regulations as hereinafter set out.

G. Minors Whose Parents Moved to  
Another State or Foreign Country

If the parents of a minor who is enrolled as a resident student move their legal residence to another state or foreign country, the minor shall be classified as a nonresident at all subsequent registration periods. Under the provisions of Section 1(f) the minor will be entitled to pay the resident tuition fee for the 12-month period immediately following the parents change of legal residence to another state.

If the parents of a minor move to another state or foreign country, or reside outside the state or in a foreign country at the time of enrolling in an institution of higher education, but claim legal residence in Texas, conclusive evidence must be presented that the father is still claiming legal residence in the State of Texas and that he has the present intent to return to the state.

A certificate from the employer of the parents that the move outside the state was temporary and that there are definite plans to return the parents to Texas by a determinable future date may be considered in this connection.

If a minor whose parents have moved their legal residence to another state or foreign country resides in Texas for 12 consecutive months following his 21st birthday and by his actions clearly indicates that his intention is to establish permanent residence in the state, he may be classified as a resident student effective with the beginning of the term or semester following his 22nd birthday despite the fact that his entire period of residence in Texas has been as a student.

When the parents of a minor who have established their legal residence in another state or foreign country return and reestablish their legal residence in Texas the minor must be classified as a nonresident until the first registration after the parents have resided in the state for a 12-month period following their return.

II. RESIDENCE OF INDIVIDUALS OVER TWENTY-ONE

Statute: Section 1(e)(3) An individual twenty-one (21) years of age or over who has come from outside Texas and who is gainfully employed in Texas for a 12-month period immediately preceding registration in an educational institution shall be classified as a resident student as long as he continues to maintain a legal residence in Texas; and

Section 1(e)(4) An individual twenty-one (21) years of age or over who resides out of the state or who has come from outside Texas and who registers in an educational institution before having resided in Texas for a 12-month period shall be classified as a nonresident student.

Section 1(h) A nonresident student classification is presumed to be correct as long as the residence of the individual in the state is primarily for the purpose of attending an educational institution. After residing in Texas for at least twelve (12) months, a nonresident student may be reclassified as a resident student as provided in the rules and regulations adopted by the Coordinating Board, Texas College and University System. Any individual reclassified as a resident student is entitled to pay the tuition fee for a resident of Texas at any subsequent registration as long as he continues to maintain his legal residence in Texas.

#### Establishment of Residence

Any individual 21 years of age or over who moves into the state and who is gainfully employed within the state for a period of 12 months prior to enrolling in an educational institution (defined as any institution of higher education, public or private, above the high school level), is entitled to classification as a resident. If such 12 months' residence, however, can be shown not to have been for the purpose of establishing legal residence in the state but to have been for some other purpose, the individual is not entitled to be classified as a resident. Any student registering in an educational institution prior to having resided in the state for 12 months shall be classified as a nonresident for tuition purposes.

A person classified as a nonresident student upon his first enrollment in an institution of higher education is presumed to be a nonresident for the period during which he continues as a student. If such nonresident student withdraws from school and resides in the state while gainfully employed for a period of 12 months, upon re-entry into an institution of higher education he will be entitled to be reclassified as a resident for tuition purposes. Accumulations of summer and other vacation periods do not satisfy this requirement. A student is not entitled to reclassification after a residence in the state for 12 months merely on the basis of his or his wife's employment, registration to vote, registration of a motor vehicle and payment of personal property taxes thereon, or the securing of a Texas driver's license. The presumption of a "nonresident" is not a conclusive presumption, however, and other facts may be considered to determine if the presumption has been overcome. Material to this determination are business or personal facts or actions unequivocally indicative of a fixed intention to reside permanently in the state including, but not limited to, the length of residence and full-time employment prior to registering in the institution, the fact of full-time employment and the nature of such employment (regular industrial, business or professional employment as distinguished from student-type employment) while a student, purchase of a homestead with substantial down-payment, and marriage to a resident of Texas. All of these facts are weighed in the light of the fact that a student's residence while in school is primarily for the purpose of education and not to establish residence, and that decisions of an individual as to residence are generally made after the completion of an education and not before.

#### III. MARRIED STUDENTS

Statute: Section 1(i) A nonresident who marries and remains married to a resident of Texas, classified as such under this Act at the time of the marriage and at the time the nonresident

registers, is entitled to pay the resident tuition fee regardless of the length of time he has lived in Texas, and any student who is a resident of Texas who marries a nonresident is entitled to pay the resident tuition fee as long as he does not adopt the legal residence of the spouse in another state.

#### Nonresident Who Marries a Resident of Texas

The nonresident male or female student who marries a resident of Texas is entitled to pay the resident tuition at the registration period next following the date of marriage upon submission of evidence of such marriage and of the spouse's legal residence in Texas. The legal residence of a wife, regardless of her age, follows that of her husband. Therefore, a woman who is a resident of Texas and who marries a nonresident shall be classified as a nonresident for all enrollment periods subsequent to her marriage; provided, however, that she shall be permitted to pay the resident tuition so long as she does not affirmatively by her actions adopt the legal residence of her husband (for example, registering to vote in another state).

In the event a nonresident male or female student who marries a resident of Texas, and subsequently, is divorced, such nonresident student shall be classified as a nonresident for all enrollment periods subsequent to the date of such divorce.

#### IV. MILITARY PERSONNEL AND VETERANS

Statute: Section 1(k) Military personnel are classified in the following manner:

(1) An officer, enlisted man or woman, selectee or draftee of the Army, Army Reserve, Army National Guard, Air National Guard, Texas State Guard, Air Force, Air Force Reserve, Navy, Navy Reserve, Marine Corps, Marine Corps Reserve, Coast Guard, or Coast Guard Reserve of the United States, who is assigned to duty in Texas is entitled to register himself, his spouse, and their children in a state institution of higher education by paying the tuition fee and other fees or charges required of Texas residents, without regard to the length of time he has been assigned to duty or resided within the state; provided, however, that out-of-state Army National Guard or Air National Guard members attending training with Texas Army or Air National Guard units under National Guard Bureau regulations shall not be exempted from nonresident tuition by virtue of such training status nor shall out-of-state Army, Air Force, Navy, Marine Corps, or Coast Guard Reserves training with units in Texas under similar regulations be exempted from nonresident tuition by virtue of such training status. It is the intent of the legislature that only those members of the Army or Air National Guard, Texas State Guard, or other reserve forces mentioned above, be exempted from the nonresident tuition fee and other fees and charges only when they become members of Texas units of the military organizations mentioned above;

(2) As long as they reside continuously in Texas, the spouse and children of a member of the Armed Forces of the United States who has been assigned to duty elsewhere immediately following assignment to duty in Texas are entitled to pay the tuition fees and other fees or charges provided for Texas residents;

(3) If nonresident military personnel are attending an institution of higher education under a contract between the institution and any branch of the Armed Forces of the United States, in which the tuition of the member of the military is paid in full by the United States Government, the student shall pay the nonresident tuition fee;

(4) A Texas institution of higher education may charge to the United States Government the nonresident tuition fee for a veteran enrolled under the provisions of a Federal law or regulation authorizing educational or training benefits for veterans;

(5) The spouse and children of a member of the Armed Forces of the United States who dies or is killed are entitled to pay the resident tuition fee, if the wife and children become residents of Texas within sixty (60) days of the date of death; and

(6) If a member of the Armed Forces of the United States is stationed outside Texas and his spouse and children establish residence in Texas by residing in Texas and by filing with the Texas institution of higher education at which they plan to register a letter of intent to establish residence in Texas, the institution of higher education shall permit the spouse and children to pay the tuition, fees, and other charges provided for Texas residents without regard to length of time that they have resided within the state.

#### A. Certification of Assignment to Duty in Texas

Subsection (k)(1) provides that military personnel assigned to duty within the State of Texas, their husband or wife as the case may be and their children, shall be entitled to pay the same tuition as a resident of Texas regardless of the length of their physical presence in the state. To be entitled to pay the resident tuition fees, such military personnel shall submit at the time of each registration a statement from his commanding officer or personnel officer certifying that he is then assigned to duty in Texas and that same will be in effect at the time of such registration in an institution of higher education. This subsection also provides that a nonresident member of an out-of-state National Guard unit who is temporarily training with a Texas National Guard unit will not be entitled to pay the resident tuition.

#### B. Spouse and Children of Member of Armed Services

Subsection (k)(2) provides that the spouse and children of a member of the armed forces assigned to duty outside the State of Texas immediately after assignment in Texas may be entitled to pay the resident tuition as long as they reside continuously in Texas.

Subsection (k)(6) provides that the spouse and children of a member of the armed forces who is assigned to duty outside the State of Texas and sends his family to the State of Texas may be entitled to pay the resident tuition if they file with the institution of higher education at which the student intends to register a letter of intent, an affidavit or other evidence satisfactory to the institution stating that they intend to become permanent residents of Texas.

Subsection (k)(5) provides that a member of the immediate family (which shall include spouse or children) of a member of the armed forces who dies or is killed in action while in military service may qualify to pay the resident tuition if they become residents of Texas within 60 days of the date of death. To qualify under this provision, the student shall submit to the institution of higher education satisfactory evidence establishing the date of death and residence in Texas.

The military personnel spouse and children enumerated in (k)(1), (2), (5), and (6) are classified as nonresidents but shall be entitled to pay the resident tuition regardless of their length of residence in Texas if they comply with the provisions of the statute and these rules and regulations.

#### C. Nonresident Military Personnel Attending College Under Contract

Subsection (k)(3) provides that nonresident military personnel attending an institution of higher education under a contract with any branch of the armed forces where the tuition is paid in full under the provisions of such contract shall be charged nonresident tuition even though such military personnel may be assigned to duty pursuant to military orders at an institution of higher education.

#### D. Nonresidents Attending College under Federal Benefits Programs for Veterans

Subsection (k)(4) provides that the institution of higher education may charge the nonresident tuition fee for a nonresident veteran to the United States Government under the provisions of any federal law or regulation authorizing educational or training benefits for veterans.

#### E. Legal Residence of Person in Military Service

A person in military service is presumed to maintain during his entire period of active service the same legal residence which was in effect at the time he entered military service. A person stationed in a state on military service is presumed not to establish a legal residence in that state because his presence is not voluntary but under military orders. It is possible for a member of the military service to abandon his domicile of original entry into the service and to select another, but to show establishment of a new domicile during the term of active service, there must be clear and unequivocal proof of such intent. An extended period of service alone is not sufficient. The purchase of residential property is not conclusive evidence unless coupled with other facts indicating an intent to put down roots in the community and to reside there after termination of military service. Evidence which will be considered in determining this requisite intent includes, but is not limited to a substantial investment in a residence and the claiming of a homestead exemption thereon, registration to vote, and voting in local elections, registration of an automobile in Texas and payment of personal property taxes thereon, obtaining a Texas driver's license, maintaining

checking accounts, savings accounts and safety deposit boxes in Texas banks, existence of wills or other legal documents indicating residence in Texas, change of home-of-record and designation of Texas as the place of legal residence for income tax purposes on military personnel records, business transactions or activities not normally engaged in by military personnel, membership in professional or other state organizations, and marriage to a resident of Texas. Purchase of property during terminal years of military service preceding retirement generally is given greater weight than a similar purchase made prior to such terminal period.

F. Residence Classification of Veterans Upon Separation from Military Service

A person who enrolls in an institution of higher education following his separation from military service must be classified as a nonresident student unless, (1) he was a legal resident of Texas at the time he entered military service and has not relinquished that residence, (2) he can prove that during his military service he has, in fact, established a bona fide, legal residence in Texas at a time at least 12 months prior to his registration, or (3) he has resided in Texas other than as a student for 12 months prior to his registration and subsequent to his discharge from service.

V. EMPLOYEES OF INSTITUTIONS OF HIGHER EDUCATION

Statute: Section 1(1) A teacher, professor, or other employees of a Texas institution of higher education is entitled to register himself, his spouse, and their children in a state institution of higher education by paying the tuition fee and other fees or charges required for Texas residents, without regard to the length of time he has resided in Texas. A teacher, professor, or other employee of a Texas institution of higher education is any person employed at least one-half time on a regular monthly salary basis by a state institution of higher education.

A person employed at least half-time on a regularly monthly salary basis (not an hourly employee) by any public institution of higher education, with an effective date of employment on or before the 12th class day of a regular semester or the 4th class day of a summer term, may pay the same tuition as a resident of Texas for himself, his husband or wife as the case may be and their children, regardless of the length of residence in the state. To be entitled to pay the resident tuition fees such employee must submit prior to the time of each registration a statement from the Director of Personnel or a designated representative of the institution of higher education for which he is employed certifying that such employment will be in effect at the time of registration.

VI. ALIENS

Statute: Section 1(j) An alien student is classified as a nonresident student; however, an alien who is living in this country under a visa permitting permanent residence or who has filed with the proper Federal immigration authorities a declaration of intention to become a citizen has the same

privilege of qualifying for resident status for fee purposes under this Act as has a citizen of the United States. A resident alien residing in a junior college district located immediately adjacent to Texas boundary lines shall be charged the resident tuition by that junior college.

Students who are aliens in this country on a student visa or a visa other than one entitling them to immigrant status are classified as nonresident students. An alien who is in this country on an immigrant visa can be classified as a resident student if he has resided in the state for a period of 12 months under circumstances indicating his intention to reside permanently in Texas and not merely to complete his education. To this extent an alien residing in Texas on an immigrant visa shall be in no different position than the citizen of the United States who has been a resident of another state.

#### VII. RECIPROCITY CLAUSE APPLICABLE TO JUNIOR COLLEGES

Statute: Section 1(d) The nonresident tuition fee prescribed in this Act does not apply to a nonresident student who is a resident of a state situated adjacent to Texas and who registers in any Texas public junior college situated immediately adjacent to the state in which the nonresident student resides. The nonresident student described in this Subsection shall pay an amount equivalent to the amount charged a Texas student registered at a similar school in the state in which the nonresident student resides.

#### VIII. STUDENT RESPONSIBILITIES

##### A. Student Responsibility to Register Under Proper Classification

The responsibility of registering under the proper residence classification is that of the student, and if there is any question of his right to classification as a resident of Texas, it is his obligation, prior to or at the time of his registration, to raise the question with the administrative officials of the institution in which he is registering and have such officially determined.

##### B. Notification Upon Becoming a Nonresident

Every student who is classified as a resident student but who becomes a nonresident at any time by virtue of a change of legal residence by his own action or by the person controlling his domicile is required to notify the proper administrative officials of his institution at once.

#### IX. OFFICIAL CHANGE OF RESIDENCE STATUS

##### A. Application for Reclassification

Every student classified as a nonresident student shall be considered to retain that status until such time as he shall have made written application for reclassification in the form prescribed by the institution and shall have been officially reclassified in writing as a resident of Texas by the proper administrative officers of the institution.

## B. Reclassification as a Nonresident

Every person who has been classified as a resident of Texas shall be reclassified as a nonresident student whenever he shall report, or there is found to exist, circumstances indicating a change in legal residence to another state. If any student who has been classified as a resident of Texas shall be found to have been erroneously so classified, he shall be reclassified as a nonresident and shall be required to pay the difference between the resident and nonresident fees for such semesters in which he was so erroneously classified. In addition, he shall be required to pay back all monies borrowed from the Texas Opportunity Plan Fund.

## C. Reclassification as a Resident

If any student has been erroneously classified as a nonresident student and subsequently proves to the satisfaction of the appropriate officials of an institution of higher education that he should have been classified as a resident student, he shall be reclassified as a resident of Texas and shall be entitled to a refund of the difference between the resident and nonresident fees for the semester in which he was so erroneously classified.