



LAW OFFICE  
OF  
THE UNIVERSITY OF TEXAS SYSTEM  
P. O. BOX 7727  
AUSTIN, TEXAS 78712

March 17, 1971

Miss Betty Anne Thedford  
Secretary to the  
Board of Regents  
Main Building 212

Dear Betty Anne:

It has come to my attention that I, or certain of the business managers who prepared the proposed amendments to Part Two of the Regents' Rules and Regulations that were submitted to the Board of Regents for approval last Friday, have made two errors.

On Page C of W-9, Subdivision 13.321 of Section 13 of Chapter III should read the "Assistant to the Deputy Chancellor for Administration," rather than the "Assistant Deputy Chancellor for Administration."

On Page C of W-14, Subdivision 6.3 of Section 6 of Chapter IV, the second word in the second sentence should read "proposal" rather than "requisition." That change was not made by the draftsman and I duplicated the error out of inadvertence.

Since the revision was so extensive, other errors unfortunately may appear in the material. Please let me know if you see any questionable material or if I can help you in any way.

Sincerely,

A handwritten signature in cursive script that reads "Richard Gibson".

Richard Gibson  
Director

RG/sr

Amend Part Two of the Regents' Rules and Regulations to read as follows:

- (1) Amend Subsection 1.3 of Section 1 of Chapter I to read as follows:

1.3 The authority to accept gifts to a component institution is delegated to the Chief Administrative Officer [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 Chief Administrative Officer [INSTITUTIONAL HEAD] is empowered to accept cash gifts to a component institution of The University of Texas System of \$5,000 [\$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.

- (2) Amend Subsection 1.4 of Section 1 of Chapter I to read as follows:

1.4 A quarterly [SEMI-ANNUAL] report of such gifts of less than \$5,000 [\$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, November 30, [AND] February 28, and May 31 of each year. Such reports will summarize gifts of \$500 [\$25] or less [BY] showing only total dollars and number of gifts [TOTAL ONLY IN TWO CATEGORIES: TYPE OF DONOR AND PURPOSE OF GIFTS].

- (3) Amend Section 6 of Chapter I to read as follows:

Sec. 6. General Admission Policy.--The University of Texas System will make maximum use of its resources, subject to the limited enrollment policy of the Board of Regents, to admit and educate as many qualified students as possible, consistent with accreditation standards and consistent with maintaining a high quality of education. Neither the faculty nor students of any component institution will solicit or recruit for admission to that institution any person who cannot meet the usual academic requirements for admission to that institution. Other than for the exceptions set forth in the General Appropriation Act, no funds appropriated by the Legislature, including local institutional funds, may be expended for the recruitment of students, whether qualified or unqualified.

- (4) Delete Section 8 of Chapter I and renumber appropriately the remaining section:

[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.]

(5) Amend Chapter I by adding a new Section 9 to read as follows:

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

(6) Amend Subsections 2.1, 2.2, 2.3, and 2.7 of Section 2 of Chapter II to read as follows:

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

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

2.3 The business office of each component institution shall be the central office for accounting control for all financial transactions of the institutions. The Chief Business Officer [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.

2.7 A person in each department may be designated by the department head, with the approval of the Chief Business Officer [INSTITUTIONAL HEAD], to sign vouchers, requisitions, etc., in his absence. These designations shall expire upon receipt of notification by the accounting office in writing from the department head or upon termination or transfer of the designee from the department [AT THE END OF A FISCAL YEAR, OR SOONER IF SPECIFIED, AND MUST BE RENEWED EACH YEAR].

(7) Amend Subsections 3.1 and 3.2 of Section 3 of Chapter II to read as follows:

- 3.1 The Chief Business Officer [INSTITUTIONAL CHIEF BUSINESS OFFICER] is initially responsible for the pre-audit of all business transactions as a part of the regular accounting procedures of the business office and consistent with the system of internal control.
- 3.2 Postauditing shall be regularly performed with formalized audit programs developed by the Chief Business Officer [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.
- (8) Amend Subsection 4.1, the heading to Subsection 4.2, and Subdivision 4.21 of Subsection 4.2 of Chapter II to read as follows:
- 4.1 All financial reports shall be prepared in accordance with the provisions of the statutes, official directives of the Coordinating Board, Texas College and University System, and directives of the Board of Regents, and in conformity with the manual, "College and University Business Administration, Revised Edition," (1968) referred to above. The reports shall be prepared by the Chief Business Officer [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 Chief Business Officer [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, Revised Edition," (1968) [" (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 the audit [THIS] report has been completed.
- (9) Amend Subsection 5.1 of Section 5 of Chapter II to read as follows:
- 5.1 Operating Budgets for all the component institutions shall be approved annually by the Board of Regents within the budget estimates of income prepared by the Chief Business Officer [INSTITUTIONAL BUSINESS OFFICER] and the Chief Administrative Officer [INSTITUTIONAL HEAD] and approved by the Deputy Chancellor for Administration.
- (10) Amend Section 1 of Chapter III to read as follows:
- Sec. 1. Receipts, Admission Tickets, and Charges.
- 1.1 No department, division, or individual staff member is authorized to receive money in the name of a component institution of The University of Texas System unless authorized by the Chief Business Officer [INSTITUTIONAL CHIEF BUSINESS OFFICER] and Chief Administrative Officer [INSTITUTIONAL HEAD].

- 1.2 An official receipt in the form prescribed by the Chief Business Officer [INSTITUTIONAL CHIEF BUSINESS OFFICER] shall be issued to payors for all moneys received unless the Chief Business Officer [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 Chief Business Officer or his delegate [BUSINESS OFFICER] under [MAXIMUM] appropriate internal accounting controls. A list or other documentation showing the authorization and names of all persons receiving complimentary, free, or discounted goods or services and the values thereof shall be furnished the business office within 30 days from the date such goods were issued or such services were rendered by any auxiliary enterprise, organized activity, or service department or similar activity.

(11) Amend Section 2 of Chapter III to read as follows:

Sec. 2. Deposits with Institutional Business Office

- 2.1 Money received by all departments from all sources shall be deposited in the institutional business office using an official form. The deposits shall be daily if the receipts are \$50 or more, and weekly even if the accumulation is less than \$50. The [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 shall [SHOULD] be reported [AT LEAST MONTHLY] to the business office with each deposit. 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 Chief Business Officer [INSTITUTIONAL CHIEF BUSINESS OFFICER. PETTY CASH FUNDS FROM WHICH DISBURSEMENTS WILL BE MADE SHALL HAVE THE APPROVAL OF THE INSTITUTIONAL HEAD AS WELL].

- (12) Amend Subdivision 3.12 of Subsection 3.1 of Section 3 of Chapter III to read as follows:

3.12 Not less than every seven days, the Chief Business Officer [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.

- (13) Amend Subsection 4.2 of Section 4 of Chapter III to read as follows:

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

- (14) Amend Subsections 6.1 and 6.2 of Section 6 of Chapter III to read as follows:

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

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

6.2 Appropriate [MAXIMUM] internal accounting controls shall [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 Chief Business Officer [INSTITUTIONAL CHIEF BUSINESS OFFICER].

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

- (15) Amend Subsection 10.1 of Section 10 of Chapter III to read as follows:

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.]

- (16) Amend Subsection 12.4 of Section 12 of Chapter III to read as follows:
- 12.4 Deductions for income tax, [TEACHER AND EMPLOYEE] retirement, [AND] social security, and programs authorized by the Board of Regents, such as group insurance, [AS WELL AS GROUP LIFE INSURANCE, AUTHORIZED HEALTH INSURANCE, TAX-SHELTERED ANNUITIES, AND SAVINGS BONDS,] are made where applicable on all payrolls.
- (17) Amend Subsection 13.1, add a new Subsection 13.2, and renumber appropriately the remaining subsections and subdivisions in Section 13 of Chapter III to read as follows:
- 13.1 Approvals of travel shall not be routine or perfunctory, but shall be made only after the Chief Administrative Officer or his authorized representative ~~have~~ carefully examined the purpose and need for each trip with a view to the economic and effective utilization of all travel funds.
- [13.1 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 OR 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 Approvals of travel by the Chief Administrative Officer shall be made only
- 13.21 When such travel is on state business, which shall include among other purposes, the formal presentation of original research by an employee before a national, international, regional, or state learned society; and
- 13.22 When appropriate provisions are made to carry on the duties of the absent person without additional expense to the institution.
- (18) Amend the present Subsection 13.2 of Section 13 of Chapter III by deleting Subdivision 13.28:
- [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.]
- (19) Amend the present Subdivisions 13.321 and 13.371 of Section 13 of Chapter III to read as follows:

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

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

(20) Amend Section 14 of Chapter III to read as follows:

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.]

14.1 [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.

14.2 [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.

14.3 [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. The installation of all telephone equipment shall be approved in advance by the Chief Business Officer or his delegate.

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

14.5 [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.

(21) Amend Section 16 of Chapter III to read as follows:

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

16.1 Insurance on Money and Securities.--As approved by the Board of Regents, The University of Texas System carries a blanket System-wide policy insuring against loss of money or securities at any of the component institutions. The premium paid by each institution is separately computed and is based on the coverage applicable at each institution. At the time any loss occurs at any institution, the Deputy Chancellor for Administration [SYSTEM COMPTROLLER] shall be notified by the appropriate Chief Business Officer [INSTITUTIONAL BUSINESS OFFICER] and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 [SHALL BE APPROVED BY THE CHANCELLOR AS WELL AS BY THE COMPTROLLER, AND] shall be reported to the Board of Regents for ratification [AT THE NEXT MEETING]. Settlements in the amount of \$10,000 or more must have the [ADVANCE] approval of the Board of Regents. Money and Securities coverage may be combined with the blanket position fidelity bond. [SEE CHAPTER V, SECTION 2.15.]

16.2 Fidelity Bonds.

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

- 16.22 The Secretary of State and the State Comptroller of Public Accounts shall be each furnished with an original of the bond.
- 16.23 The premium for the bond is prorated to the component institutions on the basis of the number of employees covered for which a premium charge is made and the excess coverage thereon.
- 16.24 At the time a loss occurs, the Deputy Chancellor for Administration or his delegate shall be notified by the Chief Business Officer and shall approve all loss claims and settlements. Any settlement over \$2,000 and under \$10,000 shall be reported to the Board of Regents for ratification. Settlements in the amount of \$10,000 or more must have the approval of the Board of Regents.
- 16.25 The blanket position fidelity bond coverage may be combined with money and securities coverage.

(22) Amend Chapter IV to read as follows:

CHAPTER IV

PURCHASING

- Sec. 1. Authority to Obligate Institutional Funds. The official purchasing agents of the component institutions shall have sole authority to obligate institutional funds [OF THEIR RESPECTIVE INSTITUTIONS] for purchases of supplies, materials, services, and equipment unless otherwise provided in these regulations or otherwise specifically approved by the component Chief Administrative Officer [INSTITUTIONAL HEAD] and the Chancellor or by the Board of Regents. No liability can be assumed for payment of obligations except those incurred in accordance with authority thus granted.
- Sec. 2. Purchasing Ethics.
- 2.1 First consideration shall be given to the objectives and policies of The University of Texas System and its component institutions.
- 2.2 Every effort shall be made to obtain the maximum ultimate value for each dollar of expenditure.
- 2.3 Honesty in sales representation shall be demanded, whether offered through the medium of oral or written statement, an advertisement, or a sample of the product.
- 2.4 [2.3] Purchasing agents and their staffs and others authorized by or under these regulations to make purchases shall not accept personal gifts or gratuities that might in any way result in an obligation [OR BECOME OBLIGATED] to individuals or firms seeking business.
- 2.5 [2.1] All qualified, reputable bidders shall be given equal opportunity to submit bids on a uniform basis when competition is possible.

2.6 [2.2] No bidder shall receive special consideration or be allowed to revise his bid after the time set for opening bids.

2.7 [2.4] Any violations of these purchasing ethics shall be reported promptly to the Chancellor and to the Board of Regents.

Sec. 3. Contacts with the State Board of Control.--All contact, whether oral or written, with the State Board of Control and with vendors are handled through the official purchasing agents and the divisions, departments, or offices to whom the purchasing function has been specifically delegated, unless advance written authorization is obtained from the purchasing agent or the Chief Business Officer for other persons to do so.

Sec. 4. [SEC. 3.] Purchases of Supplies and Equipment.

4.1 [3.1] Unless otherwise provided in these Rules and Regulations or specifically approved by the Board of Regents, the State Purchasing Act of 1957 shall govern the purchasing policies of The University of Texas System.

4.2 Under the provisions of the State Purchasing Act of 1957, purchases of the following items may be made [THIS ACT AUTHORIZES THE PURCHASE,] without approval of the Board of Control:

- (a) Supplies, materials, services, and equipment for resale.
- (b) Supplies, materials, services, and equipment for Auxiliary Enterprises.
- (c) Supplies, materials, services, and equipment for Organized Activities Relating to Educational [INSTRUCTIONAL] Departments.
- (d) Supplies, materials, services, and equipment purchased with gift and grant funds, including contract funds [TO BE PAID FOR FROM GIFTS AND GRANTS].

Sec. 5. Purchasing Procedures.

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

[3.2] UNLESS OTHERWISE PROVIDED IN THESE REGULATIONS OR SPECIFICALLY AUTHORIZED BY THE EXECUTIVE HEAD AND THE CHANCELLOR, ALL PURCHASES OF SUPPLIES AND EQUIPMENT SHALL BE MADE THROUGH THE OFFICIAL PURCHASING AGENTS OF THE COMPONENT INSTITUTIONS.

3.3 THE OFFICIAL INSTITUTIONAL PURCHASING AGENTS AND DIVISIONS, DEPARTMENTS, OR OFFICES TO WHOM THE PURCHASING FUNCTION HAS BEEN DELEGATED SHALL OBSERVE SOUND AND GENERALLY ACCEPTED PURCHASING PRACTICES OF EDUCATIONAL INSTITUTIONS INCLUDING THE FOLLOWING:

3.31 ITEMS ON STATE CONTRACT PROCESSED THROUGH THE BOARD OF CONTROL WILL BE PURCHASED THROUGH THE OFFICIAL PURCHASING AGENTS.

3.32 PURCHASES OF SUPPLIES AND EQUIPMENT PAYABLE (OR REIMBURSABLE) FROM FEDERAL FUNDS, TRUST FUNDS, AND AUXILIARY ENTERPRISES FUNDS MAY BE MADE DIRECTLY FROM VENDORS BY INSTITUTIONAL PURCHASING AGENTS IF IT IS ESSENTIAL TO EFFICIENT OPERATION TO DO SO OR IF MONETARY SAVINGS WOULD RESULT.]

5.2 [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 shall be maintained by the Chief Business Officer [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].

[3.34 COMPETITIVE BIDS, USUALLY A MINIMUM OF THREE, SHALL BE SECURED WHENEVER COMPETITION IS AVAILABLE.

3.35 PURCHASE AWARDS SHALL BE MADE TO THE SUPPLIER SUBMITTING THE "LOWEST AND BEST BID" AS DEFINED IN THE STATE PURCHASING ACT OF 1957.]

[SEC. 4. CONTACTS WITH THE STATE BOARD OF CONTROL.--ALL CONTACTS, WHETHER ORAL OR WRITTEN, WITH THE STATE BOARD OF CONTROL AND WITH VENDORS ARE HANDLED THROUGH THE OFFICIAL PURCHASING AGENTS AND THE DIVISIONS, DEPARTMENTS, OR OFFICES TO WHOM THE PURCHASING FUNCTION HAS BEEN SPECIFICALLY DELEGATED, UNLESS ADVANCE WRITTEN AUTHORIZATION IS OBTAINED FROM THE PURCHASING AGENTS OR THE CHIEF BUSINESS OFFICER OR OTHER PERSONS TO DO SO.]

[SEC. 5. REQUISITIONS.

5.1 SEPARATE REQUISITIONS SHALL BE MADE FOR:

5.11 STATE CONTRACT ITEMS PURCHASED THROUGH THE PURCHASING DIVISION OF THE STATE BOARD OF CONTROL; AND

5.12 ITEMS TO BE PURCHASED IN THE OPEN MARKET BY COMPETITIVE BIDS, OR OTHERWISE.

5.2 REQUISITIONS FOR SUPPLIES AND EQUIPMENT SHALL BE PREPARED ON THE OFFICIAL DEPARTMENTAL REQUISITION FORM, APPROVED BY THE CHAIRMAN OF THE DEPARTMENT, OR OTHER ADMINISTRATIVE OFFICIAL, AND THE ORIGINAL FORWARDED TO THE BUSINESS OFFICE OR OTHER DESIGNATED OFFICE FOR APPROVAL AS TO AVAILABILITY OF FUNDS AND TO THE OFFICIAL PURCHASING AGENT FOR APPROVAL OF THE PURCHASE. REQUISITIONS SHALL SHOW AN ACTUAL OR ESTIMATED COST AND SHALL BE NUMBERED CONSECUTIVELY. SEPARATE REQUISITIONS SHALL BE MADE FOR PURCHASES ON THE OPEN MARKET FOR EACH CLASS OF ITEMS, SUCH AS HARDWARE, ELECTRICAL SUPPLIES, CHEMICAL SUPPLIES, ETC. THE DEPARTMENT SHALL BE FURNISHED A COPY OF EACH PURCHASE ORDER ISSUED AGAINST ITS FUNDS BY THE PURCHASING AGENTS.

5.3 REQUISITIONS SHALL NOT BE REQUIRED FOR PERISHABLE ITEMS, AUTOMOBILE REPAIRS WHICH INCLUDE BOTH MATERIAL AND LABOR, AND SERVICE CHARGES WHICH INCLUDE ONLY LABOR. HOWEVER, VOUCHERS PAYABLE FROM STATE FUNDS FOR PERISHABLE ITEMS, OR AUTOMOBILE REPAIRS INCLUDING MATERIAL MUST BE APPROVED BY THE STATE BOARD OF CONTROL.]

Sec. 6. [REQUISITIONS FOR] Space Leases.

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

6.2 Proposals for space leases require the advance approval of the Deputy Chancellor for Administration [CHANCELLOR] and subsequent ratification by the Board of Regents, and lease contracts drawn in accordance with such approval shall be signed by the Deputy Chancellor for Administration or his delegate.

6.3 A proposal [REQUISITION] shall be approved [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. 7. RENTAL OF MACHINES AND EQUIPMENT. --REQUISITIONS FOR THE PURCHASE OR RENTAL OF ELECTRONIC TABULATING OR DATA PROCESSING EQUIPMENT AND REQUISITIONS FOR RENTAL OF OFFICE MACHINES OR OTHER EQUIPMENT OF ANY KIND WHICH EXCEED A RENTAL COST OF \$1,000.00 PER ANNUM ARE REQUIRED, BY LAW, TO HAVE THE PRIOR WRITTEN APPROVAL OF THE GOVERNOR, AND SUCH APPROVAL SHALL BE REQUIRED BEFORE THE REQUISITIONS IS PROCESSED BY THE STATE BOARD OF CONTROL. APPROVAL BY THE STATE BOARD OF CONTROL IS REQUIRED PRIOR TO THE BEGINNING OF THE RENTAL PERIOD, AND PAYMENT OF THE RENTALS SHALL BE MADE ONLY AFTER SUCH APPROVAL. THE REQUISITIONS SHALL BE SUBMITTED THROUGH THE PURCHASING AGENTS, CHECKED BY THE BUSINESS OFFICERS, AND FORWARDED BY THE INSTITUTIONAL HEADS TO THE CHANCELLOR'S OFFICE FOR TRANSMITTAL TO THE GOVERNOR. REQUISITION FOR RENTALS TO BECOME EFFECTIVE ON SEPTEMBER 1, SHOULD BE SUBMITTED IN ADVANCE OF THAT DATE. ALSO SEE SECTION 10 OF THIS CHAPTER.

SEC. 8. PURCHASE OF STATIONERY, OFFICE SUPPLIES, STENOGRAPHIC SERVICES, MIMEOGRAPH AND MULTILITH WORK, PRINTING, BOOKS, PERIODICALS, AND MAGAZINE SUBSCRIPTIONS.

8.1 STATIONERY, OFFICE SUPPLIES, STENOGRAPHIC SERVICES, MIMEOGRAPH AND MULTILITH WORK SHALL BE PURCHASED BY DEPARTMENTS AND ADMINISTRATIVE OFFICES FROM THE STENOGRAPHIC BUREAU OF THE UNIVERSITY OF TEXAS AT AUSTIN OR FROM A CENTRAL SOURCE OF SUPPLY AT THE OTHER COMPONENT INSTITUTIONS. THE DEPARTMENT, IN WRITING, SHALL AUTHORIZE CERTAIN PERSONS TO MAKE SUCH PURCHASES.

- 8.2 PRINTING AT THE UNIVERSITY OF TEXAS AT AUSTIN IS USUALLY PURCHASED FROM THE UNIVERSITY PRINTING DIVISION, AND AT THE OTHER COMPONENT INSTITUTIONS PURCHASES ARE MADE AS DESIGNATED BY THE BUSINESS OFFICER.
- 8.3 BOOKS, PERIODICALS, AND MAGAZINE SUBSCRIPTIONS, IF PAYABLE FROM GENERAL BUDGET FUNDS, SHALL BE PURCHASED AT THE UNIVERSITY OF TEXAS AT AUSTIN THROUGH THE LIBRARY BY THE USE OF A BOOK ORDER CARD. PURCHASES PAYABLE FROM DEPARTMENTAL FUNDS, GRANTS, OR SPECIAL PROJECTS AT THE UNIVERSITY OF TEXAS AT AUSTIN, AND WHICH ARE NOT TO BECOME AN ACQUISITION OF THE LIBRARY, ARE TO BE PURCHASED THROUGH THE LIBRARY ORDER DEPARTMENT BY THE USE OF THE OFFICIAL DEPARTMENTAL REQUISITION FORM. PURCHASES AT THE OTHER COMPONENT INSTITUTIONS SHALL BE MADE BY REQUISITION THROUGH THE PURCHASING AGENTS.
- 8.4 THE CURRENT APPROPRIATION BILL PROVIDES THAT APPROPRIATED FUNDS MAY NOT BE EXPENDED FOR PURCHASE OF LAW BOOKS WITHOUT THE APPROVAL OF THE ATTORNEY GENERAL. PURCHASES FOR THE SCHOOL OF LAW ARE EXCEPTIONS TO THIS PROVISION.]

Sec. 7. [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 component Chief Administrative Officer [INSTITUTIONAL HEAD], the Chancellor, and the Board of Regents. Details of such transactions shall be reported in the dockets or Minutes of the Board.

[SEC. 10. PURCHASE OR RENTAL OF CERTAIN TYPEWRITERS.--IN ACCORDANCE WITH THE CURRENT APPROPRIATION BILL PURCHASE OR RENTAL OF EXECUTIVE AND/OR PROPORTIONAL SPACING TYPEWRITERS IS NOT PERMITTED UNLESS THE HEAD OF THE DEPARTMENT MAKES AN AFFIDAVIT ATTACHED TO THE REQUISITION FOR THE PURCHASE THAT THE USE OF SUCH TYPEWRITER SHALL BE MORE ECONOMICAL THAN PURCHASING PRINTED MATTER AND SUCH TYPEWRITER SHALL BE IN CONTINUOUS USE FOR AT LEAST SIX (6) HOURS A DAY. ALSO SEE SECTION 7 OF THIS CHAPTER.

SEC. 11. ACCEPTANCE OF USED OR RENTED EQUIPMENT ON PURCHASE OF NEW EQUIPMENT.--USED OR RENTED EQUIPMENT SHALL NOT BE ACCEPTED IN FULFILLMENT OF AN ORDER FOR NEW MACHINES OR NEW EQUIPMENT, EVEN THOUGH SUCH MACHINES OR EQUIPMENT HAVE BEEN USED BY THE COMPONENT INSTITUTION MAKING THE ORDER.

SEC. 12. UNLISTED TELEPHONE NUMBERS.--THE CURRENT APPROPRIATION BILL PROHIBITS THE EXPENDITURE OF FUNDS APPROPRIATED THEREBY FOR PAYMENT OF RENTAL OR TOLL CHARGES ON TELEPHONES FOR WHICH NUMBERS ARE NOT LISTED OR AVAILABLE FROM "INFORMATION OPERATORS" AT TELEPHONE EXCHANGES.

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 OVER-HEARING 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 FISCAL YEAR SHALL HAVE THE PRIOR WRITTEN APPROVAL OF THE GOVERNOR, AND NOTICE OF SUCH APPROVAL SHALL BE FILED WITH THE LEGISLATIVE BUDGET BOARD.]

CHAPTER V.

PERSONNEL

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

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

[1.1 THE DEVELOPMENT AND OPERATION OF THE INSTITUTIONAL PERSONNEL PROGRAM AS DEFINED IN THE DUTIES OF THE INSTITUTIONAL PERSONNEL OFFICER. THIS EXTENDS TO:

1.11 THE ADMINISTRATION OF THE CLASSIFIED PERSONNEL PROGRAM IN HIS INSTITUTION. THE INSTITUTIONAL PERSONNEL OFFICER SHALL:

1.111 KNOW THE OBJECTIVES AND ALL OF THE DETAILS OF THE PROGRAM.

1.112 ASSUME RESPONSIBILITY FOR RECOMMENDING ALL CHANGES IN THE WRITTEN PROGRAM TO HIS CHIEF EXECUTIVE OFFICER.

1.113 INTERPRET THE PERSONNEL PROGRAM TO HIS INSTITUTION--ADMINISTRATION, SUPERVISORS, AND EMPLOYEES.

1.12 THE CLASSIFICATION PLAN. THE INSTITUTIONAL PERSONNEL OFFICER SHALL:

1.121 RECOMMEND ALL CHANGES IN ANY EXISTING JOB CLASSIFICATION OR THE CREATION OF ANY NEW JOB CLASSIFICATION.

1.122 WRITE ALL JOB DESCRIPTIONS.

1.123 ALLOCATE ALL POSITIONS TO THE PROPER JOB CLASSIFICATION.

1.124 ASSURE THAT NO PERSON IS APPOINTED IN A POSITION IN THE CLASSIFIED SERVICE UNDER A TITLE NOT INCLUDED IN THE CLASSIFICATION PLAN.

1.13 THE PAY PLAN. THE INSTITUTIONAL PERSONNEL OFFICER SHALL:

1.131 RECOMMEND ALL CHANGES IN APPROVED SALARY RANGES TOGETHER WITH THE RANGES FOR ALL NEW JOB CLASSIFICATIONS.

1.132 MAKE SALARY STUDIES TO DETERMINE CORRECTNESS OF EXISTING SALARY RANGES AND TO SUBSTANTIATE RECOMMENDATIONS FOR NEW RANGES OR CHANGES IN EXISTING RANGES.

1.133 ASSURE THAT NO APPOINTMENT AND/OR CHANGE IN SALARY IS MADE WHICH IS:

1.1331 BELOW THE MINIMUM SALARY FOR THE CLASS RANGE ( EXCEPT FOR A "TRAINEE").

1.1332 ABOVE THE MAXIMUM SALARY FOR THE CLASS RANGE.

1.1333 NOT ON A REGULAR STEP (OR FRACTION THEREOF IF PART-TIME).

1.14 THE POLICIES AND RULES. THE INSTITUTIONAL PERSONNEL OFFICER SHALL:

1.141 PROVIDE A UNIFORM INTERPRETATION OF THE INSTITUTION'S PERSONNEL POLICY.

- 1.142 ADVISE HIS CHIEF EXECUTIVE OFFICER AND THE SYSTEM PERSONNEL DIRECTOR OF ANY VIOLATION OR ABUSE OF THIS POLICY.
- 1.143 RECOMMEND ANY NECESSARY CHANGE IN THE WRITTEN POLICIES AND RULES.
- 1.15 PERSONNEL TRANSACTION. THE INSTITUTIONAL PERSONNEL OFFICER SHALL:
  - 1.151 APPROVE ALL BUDGET RECOMMENDATIONS, APPOINTMENTS, CHANGES OF STATUS, MILITARY LEAVES, LEAVES WITHOUT PAY, SEPARATIONS OR OTHER PERSONNEL TRANSACTIONS INVOLVING CLASSIFIED EMPLOYEES PRIOR TO FINAL CONSIDERATION BY HIS CHIEF EXECUTIVE OFFICER TO ASSURE CONFORMITY WITH ALL PROVISIONS OF THE CLASSIFIED PERSONNEL PROGRAM.
  - 1.152 CALL TO THE ATTENTION OF HIS CHIEF EXECUTIVE OFFICER IN WRITING ANY VIOLATION OF THE PROGRAM THAT MAY BE APPROVED OUTSIDE THE CHANNELS PROVIDED ABOVE, WITH A COPY TO THE SYSTEM PERSONNEL DIRECTOR.
- 1.16 PERSONNEL SERVICES. THE INSTITUTIONAL PERSONNEL OFFICER SHALL PROVIDE NECESSARY PERSONNEL SERVICES TO DEPARTMENTS OF HIS INSTITUTION AS RAPIDLY AS TIME AND STAFF PERMIT. THESE SERVICES SHOULD INCLUDE, AS A MINIMUM, THE FOLLOWING:
  - 1.161 CENTRALIZED PERSONNEL RECORDS.
  - 1.162 A PROGRAM OF INTERDEPARTMENTAL PROMOTIONS.
  - 1.163 CENTRALIZED RECRUITING FOR JOB VACANCIES.
  - 1.164 A TRAINING PROGRAM.
  - 1.165 A PROGRAM OF EMPLOYEE COMMUNICATION.
  - 1.166 A PROGRAM OF EMPLOYEE BENEFITS.]
- 1.2 The development and coordination of the System-wide Classified Personnel Program.
  - 1.21 The Classification Plan.
    - 1.211 Coverage.--The Classification Plan [SERVICE] of The University of Texas System shall include all positions which do not entail significant instructional responsibilities or responsibilities for the administration of instructional or research organizations. The Chief Administrative Officer or his delegate [CHIEF EXECUTIVE OFFICER] of each component institution shall determine the inclusiveness of the Classification Plan [CLASSIFIED SERVICE] within this general definition [AND SHALL SUBMIT TO THE CHANCELLOR UPON REQUEST A LIST OF THOSE ADMINISTRATIVE OR RESEARCH POSITIONS NOT INCLUDED IN THE CLASSIFIED PROGRAM].
    - 1.212 Type of Plan.--Uniform use shall be made of the job grading procedure method system of job evaluation. Job descrip-

tions shall be prepared according to the Procedure for Writing Job Specifications provided by the System Personnel Office [OF THE UNIVERSITY OF TEXAS SYSTEM].

- 1.213 Job Titles.--Standardized job titles shall be used for similar job classes common to two or more of the component institutions in order that a particular job title shall describe similar work to the extent possible. Classes unique to a component institution shall have suitable descriptive titles.
- 1.214 Job Code.--A uniform job code [ENTITLED THE PERSONNEL CLASSIFICATION CODE] shall be used to designate job classes. [THIS CODE MAY BE USED ON PUNCHED CARDS TO COMPILE STATISTICAL INFORMATION ON CLASSIFIED EMPLOYEES.]
- 1.215 Job Descriptions:--Standardized job descriptions shall be used for similar job titles common to two or more component institutions when practicable.
- 1.22 The Pay Plan.
- 1.221 A uniform system of salary steps providing for an increase of approximately 5 percent, [PER CENT] to the nearest dollar, above each preceding step shall be used for all pay plans. All salaries shall be on salary steps, or a fractional part thereof.
- 1.222 A uniform system for setting forth the salary ranges for each job classification shall be used in the pay plans for each institution.
- 1.223 A classified employee appointed to a [NOMINATED FOR] part-time paid teaching [AT] rank [OF ASSISTANT INSTRUCTOR] shall be paid at the rate applicable to each position.
- 1.224 Salary ranges for each job classification shall be dependent upon the competitive labor market situation for each institution and the requirements of the Fair Labor Standards Act [, AS DETERMINED BY SALARY SURVEYS].
- 1.23 The Policies and Rules.
- 1.231 Each institution shall operate its Classified Personnel Program under a policy statement covering the appointment, compensation, and working conditions of classified employees.
- 1.232 Formal approval of the policies and rules developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.
- 1.233 Changes in the policies and rules require the approval of the Chief Administrative Officer or his dele-

gate, the System Personnel Director, and the Deputy Chancellor for Administration.

- 1.234 [1.232] Uniform policies shall be followed in providing vacation, sick leave, etc., within the limitations imposed by local operating conditions.
- 1.24 Approval of additions to and changes in the Classified Personnel Program.
- 1.241 Formal approval of the Classification Plan and [,] Pay Plan [, AND POLICIES AND RULES] developed by each institution was obtained from the Board of Regents at the time each program was formally adopted.
- 1.242 Changes in the Classification Plan and [,] 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 Chief Administrative Officer or his delegate [EXECUTIVE HEAD OF THE INSTITUTION] and the System Personnel Officer.
- 1.243 Changes in the Classification Plan and [,] Pay Plan [, AND THE POLICIES AND RULES] involving new titles and changes in pay ranges for existing titles must have approval of the Chief Administrative Officer, the Chief Business Officer [EXECUTIVE HEAD OF THE INSTITUTION], the System Personnel Director, the Deputy Chancellor for Administration, and the Chancellor. In addition, such changes require ratification of the Board of Regents through the institutional docket procedure.
- 1.25 Institutional Personnel Officer.
- 1.251 The Chief Business Officer [CHIEF EXECUTIVE OFFICER] of each [COMPONENT] institution shall designate an Institutional Personnel Officer to [ONE QUALIFIED OFFICIAL WHO SHALL] be responsible [UNDER THE CHIEF EXECUTIVE OFFICER OF THAT INSTITUTION] for the development and operation of the Classified Personnel Program.
- 1.252 Functional direction and help on technical personnel matters shall be provided each Institutional Personnel Officer [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 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.

1.27 REPORTS.--NECESSARY REPORTS CONCERNING THE STATUS AND OPERATION OF THE VARIOUS CLASSIFIED PERSONNEL PROGRAMS MAY BE REQUIRED BY THE CHANCELLOR.]

Sec. 2. General Personnel.

[2.1 FIDELITY BOND.

2.11 AS APPROVED BY THE BOARD OF REGENTS, THE UNIVERSITY OF TEXAS SYSTEM SHALL CARRY A BLANKET POSITION (FIDELITY) BOND 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.

2.12 THE SECRETARY OF STATE AND THE STATE COMPTROLLER OF PUBLIC ACCOUNTS SHALL BE EACH FURNISHED WITH AN ORIGINAL OF THE BOND. THE BOND SHALL BE ISSUED IN "TRIPPLICATE ORIGINALS," WITH ONE ORIGINAL TO REMAIN WITH THE SYSTEM COMPTROLLER. A COPY OF THE BOND SHALL BE FILED IN THE OFFICE OF THE SECRETARY TO THE BOARD OF REGENTS.

2.13 THE PREMIUM FOR THE BOND IS PRORATED TO THE COMPONENT INSTITUTIONS ON THE BASIS OF THE NUMBER OF EMPLOYEES COVERED FOR WHICH A PREMIUM CHARGE IS MADE AND THE EXCESS COVERAGE THEREON.

2.14 AT THE TIME A LOSS OCCURS, THE SYSTEM COMPTROLLER SHALL BE NOTIFIED BY THE APPROPRIATE INSTITUTIONAL BUSINESS OFFICER AND SHALL APPROVE ALL LOSS CLAIMS AND SETTLEMENTS. ANY SETTLEMENTS OVER \$2,000 AND UNDER \$10,000 SHALL BE APPROVED BY THE CHANCELLOR AS WELL AS BY THE SYSTEM COMPTROLLER, AND SHALL BE REPORTED TO THE BOARD OF REGENTS FOR RATIFICATION AT THE NEXT MEETING. SETTLEMENTS IN THE AMOUNT OF \$10,000 OR MORE MUST HAVE THE ADVANCE APPROVAL OF THE BOARD OF REGENTS.

2.15 THE BLANKET POSITION FIDELITY BOND COVERAGE MAY BE COMBINED WITH MONEY AND SECURITIES COVERAGE. SEE CHAPTER III, SECTION 16.]

[2.2 WITHHOLDING EXEMPTION CERTIFICATE.--EVERY EMPLOYEE MUST EXECUTE AND FILE WITH THE INSTITUTIONAL BUSINESS OFFICER AN EMPLOYEES' WITHHOLDING EXEMPTION CERTIFICATE BEFORE COMPENSATION CAN BE PAID, SINCE THE UNITED STATES TREASURY DEPARTMENT, INTERNAL REVENUE SERVICE, REQUIRES COLLECTIONS OF INCOME TAX ON WAGES AT THE SOURCE. THE DEDUCTIONS FOR TAXES WITHHELD ARE AUTHORIZED BY STATE LAW ON PAYROLL FORMS PRESCRIBED BY THE STATE COMPTROLLER.]

2.1 [2.3] Leave for Military Duty.

2.11 [2.31] A leave of absence not to exceed fifteen work-

ing days in any one calendar year is granted faculty or staff members who, as members of the National Guard or Official Militia of Texas or members of any of the Reserve Components of the Armed Forces, shall be engaged in authorized training or duty, ordered or authorized by proper authority. During such periods, the employee is absent without loss of efficiency rating, vacation time, or salary, and when relieved from military duty, is restored to the position and status he previously held.

2.12 [2.32] A leave of absence with full pay shall be provided any employee who is called to active duty with the National Guard by the Governor of Texas. Such leave shall in no way be charged against the employee's vacation or sick leave privileges.

2.13 [2.33] The Chief Business Officer of each institution [INSTITUTIONAL HEADS] may prescribe forms and procedures for such leaves.

## 2.2 Maternity Leave

2.21 Upon request, a leave of absence without pay shall be granted to regular monthly salaried employees for maternity reasons. A pregnant employee who wishes to retain her position or comparable position may be granted such leave for a "reasonable period" of time as determined by the individual circumstances of her case with due consideration being given to the well-being of the employee and to the interests of the institution.

2.22 A "reasonable period" is considered to not exceed three months prior to the anticipated delivery date and to not exceed three months after the delivery date, unless the employee presents a written statement from her physician which alters this period of leave of absence.

2.23 A statement encompassing the details of a maternity leave shall be entered in the remarks section of the appropriate Personnel Action Form.

2.24 Accrued sick leave may not be granted in conjunction with Maternity Leave. Also, vacation leave and sick leave do not accrue while on Maternity Leave.

2.25 A replacement may be provided on a temporary basis during the employee's absence.

## 2.3 [2.4] Overtime.

[2.41 CLASSIFIED PERSONNEL]

2.31 [2.411] The schedule of activities shall be so organized that employees are not required to work in excess of established work periods except when operating necessities demand it. Any overtime services actually required must have the advance written approval of the Chief Administrative Officer or the Chief Business Officer, or both [EXECUTIVE HEAD].

2.32 [2.412] In order to comply with the Fair Labor Standards Act, those employees in a non-exempt status who are authorized to perform over-

time services in excess of forty hours per week shall be reimbursed at the rate of one and one-half times the regular rate.

- 2.33 [2.413] Overtime compensation for those employees in an exempt status under the Fair Labor Standards Act shall be determined by the Chief Business Officer [EXECUTIVE HEAD] of the institution involved. [WHERE SUCH OVERTIME COMPENSATION IS AUTHORIZED, IT SHALL BE ON A STRAIGHT-TIME BASIS AND PAID EITHER IN COMPENSATORY TIME OR IN UNUSUAL OR EXTRAORDINARY CIRCUMSTANCES IN CASH.]

[2.5 STUDENT EMPLOYMENT

- 2.51 THE EMPLOYMENT OF STUDENTS AS TEACHING ASSISTANTS AND ASSISTANTS AT THE UNIVERSITY OF TEXAS AT AUSTIN IS EFFECTED THROUGH THE APPROPRIATE DEPARTMENTAL CHAIRMAN AND DEAN IN ACCORDANCE WITH THE QUANTITY OF WORK RULE.
- 2.52 THE QUANTITY OF WORK RULE PROVIDES THAT THE STUDENT'S COMBINED EMPLOYMENT AND SEMESTER-HOUR LOAD MAY NOT EXCEED FORTY HOURS PER WEEK. A STUDENT-EMPLOYEE MAY REGISTER FOR A THESIS OR DISSERTATION COURSE IN ADDITION TO THE COURSE LOAD AUTHORIZED HEREIN PROVIDED THAT HIS THESIS OR DISSERTATION COURSE DOES NOT REQUIRE ANY ABSENCE FROM HIS PLACE OF EMPLOYMENT.
- 2.53 EXCEPTIONS TO THIS RULE ARE RARELY MADE AND THEN SHALL BE MADE ONLY UPON SPECIFIC RECOMMENDATION OF THE STUDENT'S ACADEMIC DEAN.]

2.4 [2.6] Patent Policy.--Where no specific contract to the contrary has been approved by the Board of Regents, the following policy applies to patents obtained by employees of The University of Texas System:

- 2.41 [2.61] The title to the patent for a discovery or invention by an employee shall belong to the employee subject to the following provisions:
- 2.411 [2.611] When total net royalties, or other compensations, are less than \$1,000, no payment to The University of Texas System is required.
- 2.412 [2.612] When net royalties, or other compensations, amount to more than \$1,000 but less than \$5,000, 10 percent [PER CENT] of the excess of such royalties or other compensations over \$1,000 shall be paid to The University of Texas System.
- 2.413 [2.613] When net royalties, or other compensations, amount to more than \$5,000, the royalty or other compensation paid The University of Texas System will be 10 percent [PER CENT] on the amount above \$1,000 but less than \$5,000, and 20 percent [PER CENT] on all amounts of \$5,000 or more.
- 2.414 [2.614] Where contributions have been made to research projects by private donors, nonexclusive licenses on all inventions or discoveries resulting from

such research may be issued on a reasonable basis without discrimination in favor of or against those making contributions in aid of the research.

Sec. 3. Certain Provisions in current Appropriation Act [BILL].--  
The Rules and Regulations of the Board of Regents are subject to and shall comply with the provisions appearing in the current Appropriation Act [BILL], including the following pertaining to personnel:

- 3.1 Use of Alcoholic Beverages.--"None of the moneys appropriated under this Act shall be used for the payment of salaries to any employee who uses alcoholic beverages while on active duty. None of the funds appropriated under this Act for travel expenses may be expended for alcoholic beverages."
- 3.2 Separation from State Employment.--No employee of the State shall be granted terminal annual or vacation leave subsequent to the effective day of the employee's resignation, dismissal, or separation from State employment (See Part One, Chapter III, Subsections 15.3 and 19.3).
- 3.3 Advocating Overthrow of the Government.--"None of the funds appropriated to the agencies and institutions of higher education enumerated in this Act shall be expended in payment of salary or other compensation of any faculty member or employee who advocates the overthrow of the Government of the United States of America, or of any State, by force, violence or any other unlawful means."

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

- 4.1 The Texas State Employees Training Act of 1969, Chapter 283, Acts of the 61st Legislature, Regular Session, 1969 (Article 6252-11a, Vernon's Texas Civil Statutes), recognizes that the State Departments and other State Institutions, including The University of Texas System, must develop a more comprehensive Training Program as an integral part of a successful personnel program. The System Personnel Director, as delegated by the Deputy Chancellor for Administration, is responsible for promulgating the necessary policies and procedures for implementation of the State Employees Training Act, consistent with the guidelines already approved by the Governor of the State of Texas and the regents' rules.
- 4.2 Through implementation of the State Employees Training Act, the University will provide programs that will greatly benefit most employees. In addition, the use of various types of training programs will also encourage the initiative of young, talented employees and stimulate and motivate less productive employees. Organized training programs will, moreover, help identify those employees who are willing to exercise their initiative and prove their performance and also find the areas where employees are resisting change and improved procedures and programs.
- 4.3 The following general objectives of the overall training effort will lead to the University gain-

ing more efficiency and economy in its overall personnel program:

- 4.31 Developing well trained staffs, both professional and supportive;
- 4.32 Assisting all employees toward achieving their highest potential usefulness;
- 4.33 Motivating employees and stimulating a sense of participation and involvement;
- 4.34 Insuring that The University of Texas System receives a fair return on its investment in training and education.
- 4.4 The program elements for this general training program are:
  - 4.41 Identifying staff members who need staff development in order to determine the exact kind and scope of program needed;
  - 4.42 Training individuals for current assignments and developing them for future assignments, as a means of improving the quality and quantity of work done;
  - 4.43 Developing all supervisors to enable them to assume and discharge their primary responsibility for the maximum utilization of personnel, the training of their staff members, and the maintenance of sound employee relations;
  - 4.44 Advising and assisting employees with respect to continuing education, and means by which they can improve their usefulness;
  - 4.45 Evaluating all training and education activities to determine whether they have effectively met the needs of The University of Texas System.
- 4.5 With these objectives and general program elements as a background, four specific training programs are established. The administration and implementation of the following training programs at each component is to be primarily the task and responsibility of the Institutional Personnel Officer, with approval of the Chief Administrative Officer. The System Personnel Director shall have the responsibility of coordinating all training programs through review and approval of training policies promulgated by the component institution.
- 4.6 College or University Degree Program
  - 4.61 Definition: This Program will provide graduate or undergraduate level training leading to a degree. Basically, it provides for full-time student enrollment and is to be for selected, qualified employees of The University of Texas System. This program will be provided by the University on the basis of need of the University and to the extent funds are available.
  - 4.62 Objectives: To provide a college or university education for qualified University of Texas System employees specifically required in their area of employment.
  - 4.63 Program Elements: This training is essentially of only one type: to provide full-time student enrollment in a graduate or undergraduate program leading to a degree.
  - 4.64 Administration: Eligibility Requirements
    - 4.641 Selected employees must have necessary

academic qualifications to meet all entrance requirements of the college or university where training is provided.

- 4.642 Degree training must be directly related to an existing job or job series used by The University of Texas System.
- 4.643 Selected employees must be scheduled for appointment to a job requiring the degree training on completion of schooling.
- 4.644 Selected employees must have been successfully evaluated as to competence and aptitude for training granted and recommended through the Chief Administrative Officer and approved by the System Personnel Director.
- 4.645 Selected employees on educational stipend shall be considered as employees on official leave of absence while in student status. Vacation, sick leave, group insurances, and other benefits will be governed under appropriate rules regarding such official leaves of absence.
- 4.65 Administration: Obligations. Employees who receive financial assistance under this program from The University of Texas System, in completion of either undergraduate or advanced degrees, will be obligated to fulfill the following terms and conditions:
- 4.651 An agreement to be bound by the rules and regulations contained herein and such other policies, rules, and procedures as may be promulgated by the System Personnel Director applicable to the college degree training program.
- 4.652 An agreement to return to The University of Texas System as an employee upon graduation and attainment of the degree and to remain in the employment of The University of Texas System for a period of time subsequent to his graduation that is proportionate either to the period of time the employee has received financial assistance to attend college or university or to the amount of financial assistance he has received.
- 4.653 An agreement to execute, as required by the System Personnel Director, a formal obligatory document between The University of Texas System and the recipient of assistance under this program, to repay in a lump sum, or such alternate arrangement as the System Personnel Director may prescribe, the amount of money expended by The University of Texas System for the cost of such college education if the individual for any reason, except circumstances beyond his control, fails to complete the train-

ing or otherwise defaults in any provision of the agreement between The University of Texas System and himself.

4.7 In-Service Training and Education Program.

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

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

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

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

4.732 Basic Training for a Specific Task includes pre-employment and recruit type training involving job knowledge and/or the development of skills required for a specific task. It also includes training in supervisory and managerial skills.

4.733 Advanced In-Service Training includes the development of a higher level of skill, an increase in job knowledge, and instruction in new concepts and changing aspects of job responsibility.

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

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

4.8 Out-of-Agency Staff Development Program

4.81 Definition: This program is to provide training through workshops, seminars, institutes,

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

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

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

4.84 Administration: Eligibility Requirements.

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

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

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

4.85 Administration: Obligations. Employees receiving Out-of-Agency Staff Development/authorized by The University of Texas System will be obligated to fulfill such terms and conditions as the Chief Administrative Officer may prescribe, compatible with the nature and extent of the training or education.

#### 4.9 Internship Training Program.

4.91 Definition: Internship training is intended to provide the type of learning experience that can be obtained only through actual work experience. Internship programs will normally be of a longer duration than training mentioned under the headings of Out-of-Agency Staff Development and In-Service Training and Education. This training will be provided to those individuals selected under the standards listed below in 4.95, Eligibility Requirements. This training will be provided on the basis of need of the University and to the extent funds are available.

4.92 Objectives: This type of training and education has a broader objective than other types of training in that it serves not only The

University of Texas System but also the State of Texas in the following ways:

- 4.921 It allows The University of Texas System and/or the State of Texas to screen potential employees while simultaneously enjoying an advantageous recruiting position.
- 4.922 It facilitates the infusion of new people and new ideas into the information interchange which is continually taking place between State government and the University.
- 4.923 It will allow the University and/or the State to gain trained personnel who can carry a heavier work load in a relatively short period of time.
- 4.924 Internship programs produce a work product, although this is not the justification for any internship program.
- 4.93 Program Elements: Type I Internships are those that are within The University of Texas System for Non-Employees of the State.
  - 4.931 Type I Internships are held with The University of Texas System by persons who are not employed by the State or the University.
  - 4.932 Such internships relate to the educational program of the person serving the internship, which suggests that there will be a constant interchange and evaluation between both The University of Texas System and the sponsor of the person's educational program.
  - 4.933 These internships should be initiated only to the extent that the University can provide a meaningful working role and learning experience.
  - 4.934 Type I Internships are not designed primarily to produce a work product. (Example: The employee of a private data processing equipment firm observing and being trained in the Data Processing Department of a component institution which serves as the training ground.)
- 4.94 Program Elements: Type II Internship Programs are for the State of Texas and/or University of Texas System employees.
  - 4.941 Type II (a) internships provide for the State of Texas to be the trainee represented by a person in the employ of a state agency other than The University of Texas System. (Example: An employee of another state agency [State Auditor's Office] serving as an intern trainee with The University of Texas System.)
  - 4.942 Type II (b) internships provide for the State of Texas to be the trainee represented by a person in the employ of The University of Texas System.

- A Type II (b) internship may be served either within The University of Texas System or with another state agency. Employees on Type II (b) internship status should be considered as employees of The University of Texas System as they would if they were physically present on the job. (Example: An employee of a University of Texas component serving as an intern trainee at another University of Texas component or with another state agency, i.e., an Accountant from a component Business Office serving as a trainee in the Business Office of another component or in the State Auditor's Office.)
- 4.943 The primary objective sought by both of the Type II internship programs is for the trainee to gain skills from the training agency and to promote the ability of persons to work with broader situations and more competently in the multi-levels of administration of the State or the University.
- 4.944 A "No Proselyting" agreement should be secured in both of the Type II internship programs.
- 4.95 Administration: Eligibility Requirements.
- 4.951 Internship education and training authorized by The University of Texas System will be conducted primarily for the benefit of The University of Texas System.
- 4.952 Internship training and education must be approved by the Chief Administrative Officer or someone delegated by him on recommendation of the head of the employing department or unit.
- 4.96 Administration: Obligations.
- 4.961 Type I - No obligatory arrangement is required.
- 4.962 Type II - The following standards should be observed:
- 4.9621 The need for these programs will vary according to skills required and the availability of pre-employment training within the State of Texas and/or The University of Texas System.
- 4.9622 The employee has an obligation to successfully complete the training program and should recognize that the State of Texas and The University of Texas System will use this type of training as a continuation of the selection process.
- 4.9623 Employees receiving internship training authorized by The University of Texas System will be obligated to fulfill such terms

and conditions as the System Personnel Director may prescribe, compatible with the nature and extent of the training or education.

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

Physical Examination - Chapter III, Sec. 1.7, Page 27

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

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

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

Holidays - Chapter III, Sec. 14, Page 35b

Vacation - Chapter III, Sec. 15, Page 36

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

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

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

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

Office Hours - Chapter III, Sec. 12, Page 35

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

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

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

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

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

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

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

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

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

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

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

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