
POLICIES BOARD OF REGENTS

University of Houston System



August 17, 2011

University of Houston System
Board of Regents Policies
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August 17, 2011

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SECTION I – General

01 SCOPE AND AUTHORITY OF BOARD POLICIES

01.01 Governance

The official actions of the Board of Regents of the University of Houston System and its members, administrators, employees, and agents are governed by the following:

01.01.1 Federal and State Law

Board policies are subject to all relevant laws, rules, and regulations of the federal government and the government of the State of Texas. It is the policy of the Board to comply with state and federal laws, rules, and regulations at all times. Any policy, System Administrative Memorandum, rule, or regulation found to be in conflict with a state or federal law, rule, or regulation shall be null and void to the extent of the conflict.

01.01.2 Board Bylaws

Board bylaws govern the organization and conduct of Board activities. Board policies, System Administrative Memoranda, and component University policies are subject to all Board bylaws and are void to the extent that they conflict with such bylaws. The Board requires of its members compliance with all Board bylaws at all times.

01.01.3 Board Policies

The Board shall adopt official policies to establish direction for the System. The chancellor is responsible for implementation of the policies adopted by the Board. Board policies are intended to govern the actions and conduct of the individual regents, administrators, employees, and agents representing the System. The Board requires of its members, administrators, employees, and agents compliance with all Board policies at all times.

01.01.4 System Administrative Memoranda

In the event the implementation of the policies entails the development and adoption by the Chancellor of System Administrative Memoranda, the System Administrative Memoranda shall make adequate reference to the Board policies that they implement. System Administrative Memoranda are subject to Board policies and are void to the extent that they conflict with such policies. The Chancellor is responsible for the development and adoption of the System Administrative Memoranda. System Administrative Memoranda are intended to specify rules and regulations to implement Board policies, and/or to establish uniform rules, regulations, and procedures on matters of overall System concern not addressed in Board policy.

01.01.5 Component University Policies

Component University policies are subject to Board policies and to System Administrative Memoranda, and are void to the extent that they conflict with such policies and System Administrative Memoranda.

Related Statutes, Policies, or Requirements

Texas Education Code § 111.02 – *Applicability of General Laws*

Texas Education Code § 111.11 – *Board of Regents*

01.02 Definitions

Throughout the Board bylaws, policies, System Administrative Memoranda, and other official materials, the following definitions shall apply:

- A. “Board.” The Board of Regents of the University of Houston System.
- B. “Component University.” Any University of the System not including the System administration.
- C. “System.” The collective institutions and entities of the University of Houston System including the System administration.
- D. “System Administration.” The central administration for the System, as an entity (State Agency Number 783)
- E. “University of Houston.” The component University legally named the University of Houston. (State Agency Number 730)
- F. “UH-Clear Lake.” The component University legally named the University of Houston-Clear Lake. (State Agency Number 759)
- G. “UH-Downtown.” The component University legally named the University of Houston-Downtown. (State Agency Number 784)
- H. “UH-Victoria.” The component University legally named the University of Houston-Victoria. (State Agency Number 765)

01.03 Review of Board Policies

Board policies must be reviewed every six years and each policy shall bear the date of its most recent review. Unless renewed by the Board, policies shall become null and void after the end of the sixth year following their most recent review.

The Chancellor is responsible for periodic review and recommendations to the Board of these policies. Notwithstanding the above schedule for review, all policies are subject to review at any time on special call by any member of the Board or the Chancellor.

Related Statutes, Policies, or Requirements

System Administrative Memoranda (SAMs)
01.A.03 – *Board of Regents Policy Development*

02 ORGANIZATION OF SYSTEM ADMINISTRATION**02.01 Chancellor**

The Board appoints the Chancellor as the Chief Executive Officer of the System. The Chancellor is responsible for the management and operation of the System under the direction of the Board. The Board shall approve any employment contract for the office of Chancellor in an open meeting. (02/16/11)

Related Statutes, Policies, or Requirements

Texas Education Code § 111.21 – *System Central Administration Office; Chief Executive Officer*
Texas Education Code § 51.352(5)(d)(2) – *Responsibility of Governing Boards*
Texas Education Code § 51.353 – *Responsibility of System Administration*
[Texas Education Code § 51.948 – *Restrictions on Contracts with Administrators*](#)
[Texas Government Code § 669.002 – *Contracting with Executive Head of State Agency*](#)

UH System Board of Regents Bylaw 1.2(d)(2) – *Responsibility of Governing Boards*

02.02 Executive Officers

A. The Executive Officers of the System are the Vice Chancellors, the Presidents, and the General Counsel. The Vice Chancellors are responsible for the management and operation of the System under the direction of the Chancellor. The Chief Executive Officers of the component universities bear the title of President. Each President is responsible for the management and operation of the component University to which he/she is appointed under the direction of the Chancellor. The General Counsel is responsible for overseeing legal services for the System. (02/16/11)

B. The Board appoints the Executive Officers upon recommendation of the Chancellor. The board is responsible for the employment, evaluation, and dismissal of the Executive Officers; however the Chancellor has the authority to make recommendations to the Board on the employment, evaluation and dismissal of the Executive Officers.

C. The Board delegates to the Chancellor or his/her designee, the authority to make interim appointments for Executive Officers, which shall be submitted to the Board for ratification or review.

Related Statutes, Policies, or Requirements

[Texas Education Code § 51.948 – Restrictions on Contracts with Administrators](#)

Texas Education Code § 111.19 – *Personnel: Appointments, Salaries, Etc.*

Texas Education Code § 111.21 – *System Central Administration Office; Chief Executive Officer*

UH System Board of Regents Bylaw 2.4

UH System Board of Regents Bylaw 2.6

09 GENERAL MISCELLANEOUS

09.01 Power to Bind System

No officer, agent, employee, or regent of the System, as an individual or as a member of any association or agency, shall have the authority to in any way bind the Board, the System, or a component University to any position or course of action that is in conflict with any bylaw or policy of the Board, or any administrative memorandum of the System, and any effort to do so shall be of no force or effect.

Related Statutes, Policies, or Requirements

Texas Education Code § 111.31 – 111.42 – *Powers and Duties of the Board*

09.02 Use of System Names and Indicia

The Board may adopt from time to time certain indicia of the System and the component universities. The following policies apply to those indicia and the official names of the System and the component universities:

Related Statutes, Policies, or Requirements

09.02.1 Authority

The Board is authorized under state law to adopt official seals for the System and its component universities. The Board is also empowered by the state legislature to protect the use of the names, logos, trademarks, and other identifying marks of the System and its component universities.

09.02.2 Approval

The names, logos, trademarks, and other identifying marks of the Board, the System, and the component universities shall be protected and cannot be used without the express approval of the Board or its designated representative. The Chancellor shall take whatever steps are reasonable and necessary to effect and enforce this policy

09.03 Medal of Honor

The University of Houston System Board of Regents Medal of Honor may be awarded by the Board on a special occasion for the purpose of recognizing outstanding achievements. All Medals of Honor require a majority vote of the Board of Regents.

A Medal of Honor may be awarded to either an individual or an organization that has made an outstanding personal or collective contribution to the University of Houston System or any of its component universities. Additionally, the medal may be awarded to an individual whose life and career exemplify excellence and the highest qualities of integrity, creativity, and commitment to the betterment of the human condition.

09.04 Complaints and Grievances

The Board delegates to the Chancellor or his/her designee the authority and responsibility to establish comprehensive procedures for the resolution of all faculty, staff, student, and other complaints and grievances against the System or any component University.

09.05 Regental Parking

Each member of the Board shall be issued a regental parking hangtag and regental identification card. A vehicle displaying a regental hangtag or a regent showing a regental identification card may park in any parking place on any System campus at any time, subject to compliance with regulations concerning fire zones, handicapped zones, and traffic safety regulations.

SECTION II – Executive

11 LEGAL

11.01 Litigation

The Board will be promptly and thoroughly informed by the General Counsel with regard to all lawsuits filed against the System or a component University, and any employees or agents for the System or component universities in their official capacities. The General Counsel is responsible for providing the Board with litigation (including threatened litigation) status reports at each Board meeting, and for keeping the Board fully informed of the outcome of all litigation. (08/17/11)

Related Statutes, Policies, or Requirements

SAM 01.D.01 – *Requests for Services from the Office of the General Counsel*

19 EXECUTIVE MISCELLANEOUS

SECTION III – Academic and Student Success

21 ACADEMIC AFFAIRS

21.01 Planning

The Board requires the System administration and component universities to employ Systematic processes to assess needs, identify goals, develop operating plans and budgets, evaluate performance outcomes, and report performance results.

21.01.1 Responsibility

- A. Annually, the Board approves fiscal year operating budgets and organization plans for the System administration and each component University.
- B. The Chancellor is responsible for developing the planning and budgeting process employed by the System. The process will provide for review of all plans by the appropriate Board committee prior to Board action.
- C. The Chancellor is responsible for preparing and implementing System plans as approved by the Board, for ensuring that the results are compatible with the mission and goals approved for each component University, and for reporting System performance results to the Board.
- D. Under the direction of the Chancellor, the Presidents are responsible for preparing and implementing plans for their component universities as approved by the Board, ensuring that the results are compatible with the missions and goals approved for their component universities, and reporting their component University results to the Board.
- E. The Board shall approve new degree plans leading to customary degrees offered in American universities, of the first rank, subject to the guidelines and, where necessary, approval of the Texas Higher Education Coordinating Board. The Chancellor shall submit appropriate business plans to support the proposed degree plans. The business plan shall include financial analysis, analysis of student demand and need for the degree in the community.

21.01.2 Reporting Requirements

Annually, the Chancellor shall report to the Board the operating and budget plans of the System administration and each component University for the ensuing fiscal year, and the System performance for that year.

Related Statutes, Policies, or Requirements

General Appropriations Act, Art. III, § 6

Texas Education Code § 51.0051 – *Annual Operating Budgets*
Texas Education Code § 111.31 – *Courses and Degrees*

19 Texas Administrative Code § 13.42 *Budget Approval*

System Administrative Memoranda (SAMs)
03.C.01 – *The Planning and Budgeting Process*

21.02 Honorary Degrees

Honorary degrees may be awarded by the Board at a component University's commencement or on other special occasions for the purpose of recognizing outstanding achievements. All honorary degrees must be approved by the Board upon recommendation of the Chancellor.

A candidate nominated to receive an honorary degree should have national or international distinction or have exceptionally strong visibility within the State of Texas.

The candidate should have an association with the System, or there should be an established program at the component University in the recipient's major area of expertise. Employees and regents of the System and officials currently holding elective offices are ineligible to receive honorary degrees; however, persons of national prominence in their field are exempted from this restriction.

Related Statutes, Policies, or Requirements

System Administrative Memoranda (SAMs)
06.A.04 – *Honorary Degrees*

21.03 Academic Freedom

To establish and clarify the rights and responsibilities of the faculty pursuant to academic freedom, the Board adopts the following policy:

21.03.1 The faculty member is entitled to full freedom in research and in the publication of the results, subject to the adequate performance of the faculty member's other academic duties; but research for pecuniary return should be based upon an understanding with the authorities of the component University.

21.03.2 The faculty member is entitled to freedom in the classroom in discussing the subject matter, but the faculty member should be careful not to introduce into the teaching controversial matter which has no close relation to the subject.

21.03.3 The faculty member is a citizen, a member of a learned profession, and an officer of an educational institution. When speaking or writing as a citizen, the faculty member shall be free from institutional censorship or discipline, but the faculty member's special position in the community imposes special obligations. As a person of learning and an educational officer, the faculty member should remember that the public may judge the profession and the institution by the faculty member's utterances. Hence the faculty member should at all times strive for accuracy, exercise appropriate restraint, show respect for the opinions of others, and make every effort to indicate that the faculty member is not speaking for the institution.

Related Statutes, Policies, or Requirements

Texas Education Code § 51.354 – *Institutional Responsibility*

19 Texas Administrative Code § 7.4(13) – *Standards for Operation of Institutions-Academic Freedom and Faculty Security*

System Administrative Memoranda (SAMs)

06.A.09 – *Academic Personnel Policies*

09.A.01 – *Governmental Relations Communications and Appearances*

21.04 Part-Time and Evening Programs

The Board affirms the System's commitment and obligation to the citizens of the state to provide a broad range of high-quality professional and general educational and degree opportunities, within the context of the specific mission of each component University, to full-time and part-time students in academic programs during both day and evening hours.

Because of the Board's strong commitment to maximize educational and degree opportunities and its concern for students who must attend part-time and evenings, the Board directs that any change in academic programs that could adversely affect part-time and evening students be submitted to the Board for prior approval.

21.05 Faculty Workload

Each component University, in compliance with state law, shall adopt and maintain faculty academic workload rules and regulations directed toward attaining the greatest educational benefit from the expenditure of public funds. All such rules and regulations must be approved by the Chancellor or his/her designee and adopted by the Board.

The faculty academic workload rules and regulations shall be reported to the Texas Higher Education Coordinating Board and included in the operating budgets and faculty handbooks of each component University.

Related Statutes, Policies, or Requirements

Texas Education Code § 51.402 – *Report of Institutional and Academic Duties*

21.06 Faculty Personnel Actions

The System shall establish guidelines and procedures regarding academic appointments, separations, promotions, and tenure awards. Such guidelines and procedures should maximize each component University's ability to attract and retain academic personnel of the highest quality. The guidelines and procedures must be approved by the Board and published in the respective component universities' faculty handbooks.

Each component University shall adopt academic personnel guidelines and procedures consistent with those of the System.

Related Statutes, Policies, or Requirements

Texas Education Code § 51.909 – *Faculty Compensation Policies*

Texas Education Code § 51.917 – *Faculty Members; Use of English*

Texas Education Code § 51.942 – *Performance Evaluation of Tenured Faculty*

Texas Education Code § 51.943 – *Renewal of Faculty Employment Contracts*

UH System Board of Regents Policy 21.07 – *Faculty Dismissal*

UH System Board of Regents Policy 21.11 – *Post Tenure Performance Review*

System Administrative Memoranda (SAMs)

06.A.09 – *Academic Personnel Policies*

21.07 Faculty Dismissal

Dismissal is the termination of employment of a tenured faculty member, or of a probationary or non-tenured faculty member before the term of appointment has expired. Each component University through its faculty governance processes shall develop policies and procedures pertaining to dismissal of faculty members. Such policies must be consistent with those specified herein and must be approved by the Chancellor.

Dismissal recommendations by the Presidents of the component universities must be approved by the Chancellor before being presented to the Board for action on the recommendation. Dismissal of a faculty member requires Board action.

21.07.1 Assurances

Component University policies and procedures for faculty dismissals must assure that:

- A. the rights of the individual to due process are protected;
- B. dismissal shall not violate the constitutionally protected rights of an individual and shall not be used to restrain faculty members in their exercise of academic freedom;
- C. dismissal procedures provide for timely written notice of impending dismissal that specifies the grounds on which dismissal is sought;
- D. a faculty member notified of impending dismissal has the option of a hearing before an impartial faculty tribunal designated by the established procedures of the particular component University; and
- E. the burden of proof in dismissal proceedings rests with the component University seeking the dismissal.

21.07.2 Justifications

Dismissal may be justified by one or more of the following:

- A. *Adequate Cause*. Termination of employment for adequate cause may include:
 - 1. grounds related to dishonesty, or to demonstrated professional incompetence in teaching or research;
 - 2. grounds related to substantial and manifest neglect of professional or academic responsibilities; or
 - 3. grounds related to actions that would result in a general condemnation of the faculty member by the U.S. academic community.
- B. *Financial Exigency*. Termination of employment may be justified by a demonstrated and *bona fide* imminent financial crisis that threatens the continuation of the academic programs in their present form, and that cannot be alleviated by other means. Each component University will develop criteria and procedures to determine whether a state of financial exigency exists. Standards so developed will include provisions for faculty involvement in the determination and for a minimum twelve-month notice of termination of appointment to tenured faculty. Untenured faculty will be given notice consistent with the component University's non-reappointment guidelines.
- C. *Medical Reasons*. Termination of employment may be justified by clear and convincing medical evidence that the faculty member cannot fulfill professional and academic obligations, or the terms and conditions of appointment, with reasonable accommodation.
- D. *Discontinuance of Academic Programs*. Termination of employment may be based on the discontinuance of an academic program reflecting long-range judgments concerning the educational mission of the component University. Tenured faculty will be given notice eighteen months prior to termination of employment due to

discontinuance of academic programs. Untenured faculty will be given notice consistent with component University non-reappointment guidelines.

In the event of dismissal of faculty by reason of financial exigency or discontinuance of academic programs, the component University's administration will make every reasonable effort to place affected faculty in other positions. A faculty member with tenure will not be dismissed in favor of retaining a faculty member without tenure except in extraordinary circumstances where a distortion of the academic program would otherwise result.

Related Statutes, Policies, or Requirements

Texas Education Code § 51.942 – *Performance Evaluation of Tenured Faculty*

Texas Education Code § 51.943 – *Renewal of Faculty Employment Contracts*

UH System Board of Regents Policy 21.06 – *Faculty Personnel Actions*

UH System Board of Regents Policy 21.11 – *Post Tenure Performance Review*

System Administrative Memoranda (SAMs)

06.A.09 – *Academic Personnel Policies*

21.08 Intellectual Property

University research and intellectual endeavors often result in the invention of new technology or the creation of new copyrighted material. Such results may have commercial value. While the production of commercially valuable intellectual property is not necessarily the purpose of University research and educational activities, nor the duty of anyone engaged in research and educational activities, the Board desires that both society and the University under the governance of the Board use all knowledge to the greatest possible benefit. Accordingly, when appropriate, the University will protect all intellectual property rights in technology and copyrighted material and use diligent efforts to make productive use of such rights for the good of the public, the creator, and the System. When this result is achieved by the attraction of private risk capital, or by the transfer or licensing of rights in technology or copyrighted material, income may be realized, which the Board will seek to distribute in a manner fair both to the creator and to the University at which the intellectual property was developed. Financial return, however, always remains secondary and incidental to the public service aspect of developing and disseminating knowledge for public use. The Board hereby delegates authority to promulgate specific policies for managing Intellectual Property Rights to the Chancellor/President.

21.08.1 Definitions

- A. "Author" means any person (as defined below) who actually creates copyrighted material (also as defined below).

- B. "University" means all component universities within the University of Houston System.
- C. "Business participation" means the participation of a person in any activity, the purpose of which is the commercial development or exploitation of intellectual property owned by the University. Such participation includes, but is not limited to, an equity interest, a consulting relationship, service on a Board of directors or similar body, a royalty interest, stock ownership, or any similar relationship.
- D. "Copyrighted material" or "work of authorship" means original expression that is fixed in any tangible medium of expression and subject to copyright protection under Title 17 of the United States Code as it now exists or as it may be amended. Under federal law, copyright subsists from the moment of the work's creation, although protection may be enhanced by registration with the United States Copyright Office. Works of authorship currently include: 1. Books, journal articles, texts, glossaries, bibliographies, study guides, laboratory manuals, syllabi, tests, and survey instruments; 2. Lectures and unpublished lecture notes; 3. Musical works; 4. Dramatic works; 5. Works of visual art, such as sculptures and drawings; 6. Architectural works; 7. Films, audiovisual works, slide programs, film strips; 8. Sound recordings and video recordings containing original performances; 9. Programmed instruction materials; 10. Computer programs and documentation.
- E. "Creator" means an inventor or author (each as defined elsewhere in this policy).
- F. "Intellectual Property Rights" means those rights of ownership recognized by law in technology, copyrighted material, and computer software and firmware (all as defined in this policy). Intellectual property rights include, but are not limited to patents, copyrights, and rights to trade secrets and know-how.
- G. "Inventor" means any person who discovers or invents technology.
- H. "Net income" means, with respect to Board-owned rights in any particular intellectual property and/or copyright, gross revenue received by the University as a result of the commercialization of such rights, less:
1. any taxes or other charges of any description paid by the University to governmental agencies in connection with the particular intellectual property; and
 2. all legal and other expenses paid by the University to affiliates or third parties in filing, prosecuting, maintaining, enforcing, defending, and commercializing such rights in the United States or foreign countries.
- I. "Person" means any part-time or full-time faculty or staff member working at, or student attending, the University or other entity under the governance of the Board.
- J. "Chancellor/President" means the Chancellor/President of the University under the governance of the Board, or any person the Chancellor/President designates to carry out the University's intellectual property policy.

- K. "Software" means any program, language, or procedure for a computer System or portion thereof, and any accompanying documentation. Software includes, but is not limited to, computer programs, internal programs, subroutines, assemblers, generators, subroutine libraries, compilers, operating Systems, and application programs.
- L. "Technology" means discoveries, innovations, or inventions.
- M. "University research" means all research, activities, or work within or related to a person's expertise or general area of employment responsibility, or that has resulted from activities performed by the person on University time, with the support of University funds or from using University facilities, including work under a research agreement with an external sponsor and research conducted by anyone, whether or not a person as defined in this policy, who utilizes University resources.
- N. "University support" means direct University support which includes but is not limited to the following:
 - 1. Equipment, materials, and staff services from any of a variety of University departments other than the person's academic department or unit are used in the development of copyrightable materials at no expense to the author or the author's academic department/unit.
 - 2. Author receives support for the development of copyrightable material, such support being in the form of money in excess of normal salary, reduced teaching load, released time, or other resources from a department, college, or any unit of the University.

21.08.2 Standing Committee on Intellectual Property

- A. *Appointment.* The Chancellor/President of the University shall appoint or specify the make-up of a Standing Committee on Intellectual Property.
- B. *Duties in General.* In addition to the responsibilities described elsewhere in this policy, the committee will advise and recommend to the Chancellor/President:
 - 1. guidelines and procedures for implementation of this intellectual property policy;
 - 2. proposed amendments to this policy; and
 - 3. such other matters as the Chancellor/President directs.

21.08.3 Technology: Patents, Trade Secrets, Know-How, Etc.

- A. *Ownership of Technology.* The Board owns all intellectual property rights for technology that is conceived or reduced to practice by any person engaged in University research. The Board has delegated to the Chancellor/President of the University the authority to make the following exceptions:

1. In rare circumstances, the University may agree, in contracts for sponsored research, that the sponsors or other parties will own the intellectual property rights in technology resulting from such research.
 2. The University may accept research agreements that, under statutory law, vest intellectual property rights in the technology resulting from such research in an agency of government.
 3. After consideration as required by this policy, the University may waive intellectual property rights in technology in favor of the inventor.
- B. *Technology Agreement.* Every person employed by the University shall execute a "Technology Agreement," a copy of which is available from the Chancellor/President's office. However, the failure of any person to execute a "Technology Agreement" shall not affect the Board's rights under this policy.
- C. *Technology Assignment and Execution of Documents.* Whether or not a person makes a disclosure of technology as described below, he/she shall execute assignments or any other documents required for the acquisition and protection of Board-owned intellectual property rights, including those documents necessary to enable the University to fulfill requirements imposed by agreement or by law.
- D. *Disclosure of Technology.* Carefully planned methods of transferring Board-owned rights in technology will best accomplish the objectives stated in the "Purpose" section of this policy. The University can accomplish those objectives only if inventors promptly disclose technology. Premature publication of information pertaining to discoveries and inventions, or delayed prosecution of patent protection, can damage seriously the ability to obtain patent protection. Therefore, if a person conceives or reduces to practice any technology, that person must disclose such technology to the University as soon as practicable after the date of first conception or discovery. Certain research agreements may require disclosure, and in such a case a person shall disclose technology in accordance with the agreement. To make a proper disclosure, the inventor must prepare, sign, and date a patent disclosure in the form promulgated by the University. The inventor must also include drawings, sketches, and other pertinent data to show the principle of the technology.
- E. *Action after Disclosure*
1. The Standing Committee on Intellectual Property shall review the technology upon disclosure and shall recommend to the Chancellor/President that the University adopt one of the following actions:
 - 1.1 institute action to acquire patent protection. The committee shall recommend whether the University should pursue such action itself or refer the technology to a management agency; or license the technology as know-how and/or a trade secret, whether or not it obtains patent protection;
 - 1.2 transfer intellectual property rights in the technology to the research sponsor, if such transfer is required by a research agreement; or

1.3 waive ownership in the intellectual property rights in the technology in favor of the inventor with the University retaining 10% interest in future revenues, should the inventor commercialize the technology that was disclosed. In addition, if the University had invested financial resources for legal protection of the technology prior to waiving ownership, the University shall recoup its legal fees and expenses from future revenues in addition to retaining a 10% interest in the technology. It is noted, however, that any future improvements or modifications developed at the University are considered new inventions and the property of the University and subject to this policy. The 10% interest will be distributed 5% to the University, 3% to the Department(s) or Research Center based on research budget allocation and 2% to the College(s) based on research budget allocation.

2. After reviewing the committee's recommendation and such other technical consultation as is appropriate under the circumstances, the Chancellor/President shall determine the University's course of action concerning the technology.
 3. The University will act in good faith and will attempt to evaluate all disclosures within a reasonable time. The Standing Committee on Intellectual Property evaluates each disclosure, if adequate (see subsection following), within 120 days from the first scheduled meeting after the disclosure is made. Within 120 days, the committee transmits its recommendation to the Chancellor/ President. The Chancellor/President has an additional 60 days to act on the committee's recommendation. If either the committee or the Chancellor/ President fails to act on the invention within the relevant time period specified above, the inventor may request, and in response thereto the University may grant, a waiver of the University's rights in favor of the inventor.
 4. If the inventor fails to provide any information pertinent, in the committee's judgment, to evaluation of the disclosure, the disclosure is not "adequate." In such circumstances, the committee shall request the needed information from the inventor, and the calculation of the 120- and 60-day time periods specified in the foregoing subsection shall not begin until the requested information is received by the committee.
- F. *Publication.* Premature publication of information pertaining to technology could damage seriously the University's ability to obtain patent protection in foreign countries. Accordingly, an inventor may not seek publication of any information pertaining to disclosed technology until the earlier of (1) 90 days after disclosure is made, or (2) the University grants permission for such publication. This requirement is intended only to affect the timing for publication of research findings and shall not be used to infringe upon the academic freedom of any person. However, if the inventor publicly disclosed the invention, the University and members of the Standing Committee on Intellectual Property shall not be held responsible for any loss if patent protection is not secured.

21.08.4 Copyrights

- A. *Ownership of Copyrights.* The University will not assert ownership of copyright developed by faculty, staff or students, unless separately contracted for, in any: 1. Books, journal articles, texts, glossaries, bibliographies, study guides, laboratory manuals, syllabi, tests, and survey instruments; 2. Lectures and unpublished lecture notes; 3. Musical works; 4. Dramatic works; 5. Works of visual art, such as sculptures and drawings; 6. Architectural works.
- B. The University will assert ownership of copyright developed by faculty, staff or students, with regard to other types of works subject to copyright, namely, 7. Films, audiovisual works, slide programs, film strips; 8. Sound recordings and video recordings containing original performances; 9. Programmed instruction materials; 10. Computer programs, software, and documentation, allocation of copyright ownership will be as follows:
1. *University Supported Effort.* When a work is created with financial support or resources of the University and the work is not prepared in accordance with the terms of a contract or grant in which the University is a party or as a specific University assignment, the University will own the copyright and the division of royalty and other income will be based on the Net Income Distribution included in this policy. Routine use, as sanctioned by University policy, of library, office space, equipment, supplies, facilities, and personnel within the author's department or college does not, for the purposes of this section, constitute University support.
 2. *Extramurally Sponsored Effort.* Copyright in works developed with support from an outside agency through a contract or grant will be owned by the University. The Chancellor/President or his designee must approve deviations from the policy.
 3. *University Commissioned Efforts.* Materials or other works produced by employees of the University will be subject to copyright exclusively by the University, if the University commissioned the employee to write or produce the specific materials or works. A faculty member's general obligation to produce scholarly and creative works and the receipt of a professional development leave, unless there is a specific agreement to the contrary, do not constitute University Commissioned Efforts as defined in this policy.
 4. *Student copyrights as a result of course work.* The University claims no rights to works created by students in the course of their education, such as dissertations, papers and articles, if the student received no support from a research grant in the form of wages, salary, stipend or a grant from funds administered by the University. The University will own the copyright to works created by graduate students in the course of their assigned duties of employment, including duties as teaching or research assistant as part of an assigned task, where the assignment explicitly states that the work will be owned by the University.
 5. *Categorization issues.* It is recognized that the boundaries among traditional forms of works of authorship may be difficult to apply to certain works in newer

media. For example, the line between books and programmed instruction materials may not be apparent. For purposes of this policy, a work whose presentation and use are interactive (other than for purposes of searching the text or otherwise locating material, or for verifying correct answers) will be regarded as a computer program rather than a book. When questions of ownership arise, and until the dispute is resolved, it will be managed as though the University owns the copyright.

6. *Software and Firmware.* Since the potential exists to protect software and firmware under copyright, patent, and trade secret laws, the author must comply with Board policies and regulations governing copyrights and technology.

C. *Disclosure of Copyright.* Carefully planned methods of transferring Board-owned rights in copyright will best accomplish the objectives stated in the "Purpose" section of this policy. The University can accomplish those objectives only if authors promptly disclose copyrighted material. Therefore, if a person creates copyrighted material, that person must disclose such works to the University as soon as practicable after the date of fixing the original expression in any tangible medium. Certain research agreements may require disclosure, and in such a case a person shall disclose technology in accordance with the agreement. To make a proper disclosure, the author must prepare, sign, and date a copyright disclosure in the form promulgated by the University. The author must also include other pertinent data to show the medium of copyright.

D. *Action after Disclosure*

1. The Standing Committee on Intellectual Property shall review the copyright upon disclosure and shall recommend to the Chancellor/President that the University adopt one of the following actions:
 - 1.1 recommend whether the University should pursue commercialization action itself or refer the technology to a management agency; or license the copyrighted material;
 - 1.2 transfer the rights in the copyright to the research sponsor, if such transfer is required by a research agreement; or
 - 1.3 waive ownership in the copyright in favor of the author with the University retaining 10% interest in future revenues, should the inventor commercialize the copyright that was disclosed. In addition, if the University had invested financial resources for legal protection of the copyrighted material prior to waiving ownership, the University shall recoup its legal fees and expenses from future revenues in addition to retaining a 10% interest in the copyright. It is noted, however, that any future improvements or modifications developed at the University are considered new copyrighted material and the property of the University and subject to this policy.

2. After reviewing the committee's recommendation and such other technical consultation as is appropriate under the circumstances, the Chancellor/President shall determine the University's course of action concerning the technology.
- E. *Rights to Fair Use.* Where the University owns the copyright, the authors will retain rights to copy and distribute the original work to the extent necessary for classroom use in connection with courses taught by the author at this or another University. In exercising these rights, the author will provide fair attribution to the University of Houston for having supported the original work. The author will include the copyright notice; where the author owns the copyright, the University will retain rights to fair use, archival and library reproductions, and performance and display of such works.
- F. *Revision of Materials and Works.* Works as to which the University, under the terms of this policy, owns the copyright shall not be altered or revised without providing the author a reasonable opportunity to assume the responsibility for the revision. If the author declines the opportunity to revise such material, the Chancellor/President in consultation with the appropriate department or office will make the assignment of responsibility for the revision.
- G. *Withdrawal of Materials and Works from Use.* Materials and works as to which the copyright is owned by the University, under the terms of this policy, shall be withdrawn from use when the University in consultation with the author deems such use to be obsolete or inappropriate. No withdrawal or other discontinuance shall take place that would violate the terms of any licensing or other agreement relating to the materials or works.
- H. *Reimbursement of Expenses.* In those instances where the University takes copyright ownership pursuant to this policy, any gross revenue received as a result of commercializing any work of authorship developed or created at the University must first be applied to recovering expenses associated with creation of such work and with exploitation of the copyright therein. Thereafter, revenue will be allocated to the authors and the University in the same manner as net income in the case of patented inventions.
- I. *Apportionment Among Authors.* When there is more than one author of a work, the shares to the respective authors shall be distributed in the proportions set forth on the disclosure form submitted to the Standing Committee on Intellectual Property. If no disclosure has been submitted, then by agreement between the authors, or in the absence of such agreement, the proportions will be determined by the Chancellor/President after affording an opportunity for hearing those concerned.
- J. *Resolution of Copyright or Equity Disputes.* A University Copyright Appeals Committee, an Ad Hoc Subcommittee of the Standing Committee on Intellectual Property, shall review the applications for the resolution of copyright or equity disputes and shall submit its recommendation to the Chancellor/President. Either the employee or the Vice President for Research may request a review. The Copyright Appeals Committee shall be appointed by the Chancellor/President from nominations

submitted by the Standing Committee on Intellectual Property and shall function in accordance with policies and procedures established by the Standing Committee on Intellectual Property and reviewed by the University Faculty Senates. The Chancellor/President's decision will be binding on all parties, and will be conveyed to all involved in a timely fashion, but must be conveyed within 60 working days.

21.08.5 Commercialization of Board-Owned Intellectual Property and Copyrighted Material

The Board policy is to make productive use of Intellectual Property and Copyrighted Material for the good of the public, the creator, and the System. To achieve this goal, the University may license, transfer, or otherwise commercialize Board rights in technology or copyrighted works developed by its faculty, staff, and students. To manage this process, the University operates a licensing and transfer program and requires strict compliance therewith. The University also encourages creators themselves to seek potential licensees and transferees, or to notify the University of such individuals or companies. In all instances, the University must be involved in any negotiation of a commercialization agreement concerning Board intellectual property rights in technology or copyrighted works, and must give final approval to any such agreement.

21.08.6 Net Income Distribution

A. *Reimbursement to System.* The Board recognizes the healthy symbiotic relationship that, by this policy, it seeks to foster between itself and persons associated with the University. Of necessity, the University will receive all gross revenue as a result of commercializing any intellectual property rights developed or created at the University and this must first be applied to recovering the expenses listed in the definition of "net income" above. Thereafter, the creator(s) of the intellectual property has a residual economic interest, to be paid out according to the schedule in the following subsection.

B. *Creator's Residual Economic Interest*

1. 40% of Net Income shall be paid to the creator(s) thereof in the proportions set forth on the disclosure form submitted to the Standing Committee on Intellectual Property (in the case of patents and other technology) or on the title page of the copyrighted work.
2. Thereafter, unless the Standing Committee on Intellectual Property recommends, and the Chancellor/President adopts, a different distribution, the remaining Net Income derived from commercialization of the intellectual property rights shall be distributed as follows:
 - 2.1 40% to the University;
 - 2.2 13% to the creator(s) academic department(s) or research center(s) in proportion to the research budget allocations;
 - 2.3 7% to the college(s) in proportion to the research budget allocation.

- C. *Time of Distributions.* The sums referenced in the foregoing schedule shall be distributed annually to the creator(s) or the University as soon as practicable after the close of the fiscal year during which the income was received.
- D. When equity, in the form of stocks, is received as part of the royalty agreement, the company shall be directed to issue 40% of the stocks to the creator(s) and the remainder of the stock shall be distributed to the University. In the event a creator receives stocks from the company, the creator shall elect to receive stock from either the University or the company, but not both.
- E. The distribution with the University shall be as follows:

The entire University share will be distributed to a component that has incurred the costs of development, protection of the Intellectual Property and Marketing;

1. If the University of Houston System or another component has contributed financially to the commercialization of the Intellectual Property, the Chancellor or his designee shall determine the equitable distribution of the University share;
2. Each component shall establish its own policies for internal distribution.

21.08.7 Business Participation

- A. *Business Participation Approved.* The Board does not discourage persons subject to this policy from participating in the commercial development and/or exploitation of Board-owned intellectual property. Nonetheless, such participation must conform in all respects to this policy, including the policy stated above concerning licenses and transfers, and to applicable state and federal laws.
- B. *Specific Requirements.* In particular, a person shall not engage in business participation if such participation would violate Board Policy 57.08, section 572.051, Texas Government Code, section 51.912, Texas Education Code, or other state or federal law or regulation that controls such participation.

Related Statutes, Policies, or Requirements

Texas Education Code § 51.005 – *Control of Funds: Reports*
 Texas Education Code § 51.680 – *Intellectual Property Policies: Review by Commissioner of Higher Education*
 Texas Education Code § 51.912 – *Equity Ownership; Business Participation*
 Texas Education Code §§ 153.001 – 153.008 – *Research in Higher Education: Centers for Technology Development and Transfer*
 Texas Government Code § 572.051 – *Standards of Conduct; State Agency Ethics*

System Administrative Memoranda (SAMs)
 01.E.01 – *Office of Intellectual Property Management*
 07.A.04 – *Digital Millennium Copyright Act*

21.09 Shortened Format Courses

The Board intends that, when feasible, the duration of credit courses offered by component universities coincide with the established academic calendar. Thus, courses of instruction should have a duration of approximately 14 weeks if offered during a semester of the academic year, and approximately five weeks if offered during the summer term. However, the Board acknowledges that a few areas of instruction are of such nature that occasional courses offered in a shortened format are appropriate. Such courses, when offered, shall satisfy System guidelines.

Related Statutes, Policies, or Requirements

19 Texas Administrative Code § 4.6 – *Minimum Length of Courses and Limitation on the Amount of Credit that a Student May Earn in a Given Time Period*

System Administrative Memoranda (SAMs)
06.A.05 – *Shortened Format Courses*

21.10 Sponsored Research Grants & Contracts

The Board delegates to the Chancellor or his/her designee the authority to execute and accept all sponsored research contracts and grants up to a level of \$500,000. Board approval is required for research contracts and grants above that amount.

Related Statutes, Policies, or Requirements

Federal Office of Management and Budget (OMB) Circular A-21 – *Cost Principles for Educational Institutions*

Federal Office of Management and Budget (OMB) Circular A-110 – *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*

System Administrative Memoranda (SAMs)
01.G.01 – *Sponsored Research Activities*

21.11 Post Tenure Performance Review

21.11.1 Preamble

The Board of Regents of the University of Houston System affirms the principle that the quality of its universities is inextricably tied to the quality of its faculty, and that the ability of a University to serve its public is dependent upon the creation of an environment that nurtures the development of its faculty so as to increase the likelihood of success in the pursuit of teaching, research and service. Furthermore, the Board reaffirms its commitment to the institution of tenure, recognizing that the public interest is best served in a climate in which faculty members are free to pursue the creation and dissemination of knowledge.

At the same time, the Board recognizes the need to create an environment of accountability and public trust in both the institution as a whole and in individual faculty members.

The policies promulgated below are intended to ensure that a tenured faculty member consistently performs at an acceptable professional level, to provide for a plan of faculty development where necessary, and finally, in the instance of failure to correct deficiencies, to provide for the revocation of tenure or other appropriate disciplinary action.

21.11.2 Delegation of Authority

Each University within the University of Houston System shall adopt policies and procedures providing for a periodic performance evaluation process for all tenured faculty members. Such institutional policies and procedures, and any subsequent amendments thereto, must be approved by the Chancellor and the UH System Board of Regents. Institutional policies and procedures may be designed to fit the particular mission, traditions, and circumstances of the individual universities and must in all cases adhere to the following set of principles and procedures.

21.11.3 Fundamental Principles

- A. Institutional post-tenure performance review policies must conform to any and all relevant state statutes, including procedures for alternative dispute resolution (Chapter 154, Civil Practice and Remedies Code) and to other applicable policies of the Board (Board of Regents Policy 21.07 - Faculty Dismissal).
- B. Post-tenure performance review policies and procedures at both the System and University levels and any subsequent amendments thereto (hereinafter referred to as “post-tenure performance review policies”) are grounded in three principal academic values: peer review, academic freedom, and due process.
 1. Peer Review
 - 1.1 The formulation of post-tenure performance review policies shall include substantive and meaningful consultation with appropriate faculty bodies.

1.2 The review of individual faculty members shall include provisions for involvement by appropriate faculty colleagues in order to ensure that peer review is an essential component of the post-tenure performance review process.

2. Academic Freedom

Post-tenure performance review policies shall reflect the System's long-standing and sustained commitment to the traditional value of academic freedom. It is the intent of the Board that the implementation of post-tenure performance review policies would not result in compromising this value in any way.

3. Due Process

Post-tenure performance review policies shall incorporate academic due process rights, including notice of the manner and scope of the evaluation, the opportunity to provide documentation, notice of specific charges, and an opportunity for hearing on those charges before disciplinary action is instituted on the basis of such an evaluation.

C. Evaluations shall be based on the professional responsibilities of the faculty member in the areas of teaching, research, and service. The evaluation process shall be directed toward the professional development of the faculty member. Toward that end, the institution, through its appropriate academic officers and in concert with the affected faculty member, shall devise an individual plan of professional development for faculty members for whom a determination of unsatisfactory performance is made. Such a professional development plan shall be specific with regard to expectations, actions, timeline, resources, and the consequences of non-correction of the identified deficiencies. In the event that implementation of the professional development plan does not result in substantial improvement of performance, the faculty member may be subject to disciplinary action, including possibly the revocation of tenure and dismissal. A tenured faculty member subject to the revocation of tenure and dismissal on the basis of an unsatisfactory performance evaluation must be given the opportunity for referral of the matter to a non-binding alternative dispute resolution process.

D. Procedures

1. A comprehensive performance evaluation process, which must include peer review, shall be conducted for each tenured faculty member no more often than once a year, nor less often than once every six years after attaining tenure.
2. Administrators who also hold a tenured faculty position shall be subject to the established review procedures for administrators as codified in Board by-laws, Board policies, System Administrative Memoranda, and component University policies on this subject.
3. The records of actions taken to comply with these policies shall reside in the Office of the Provost of each University. Deans must provide an annual written report to the Provost with regard to the status of faculty members for whom a professional development plan has been established.

Related Statutes, Policies, or Requirements

Texas Education Code § 51.942 – *Performance Evaluation of Tenured Faculty*
Texas Education Code § 51.943 – *Renewal of Faculty Employment Contracts*
Texas Civil Practice and Remedies Code Chapter 154 – *Alternative Dispute Resolution Procedures*

UH System Board of Regents Policy 21.06 – *Faculty Personnel Actions*
UH System Board of Regents Policy 21.11 – *Post Tenure Performance Review*

System Administrative Memoranda (SAMs)
06.A.09 – *Academic Personnel Policies*

22 AUXILIARY ENTERPRISES

22.01 Intercollegiate Athletics

Intercollegiate athletics programs under the auspices of the University of Houston System shall be operated by the component to assure accountability to the values and principles of American higher education and the University of Houston System. The Board subscribes to the Knight Commission Principles established by the Knight Foundation Commission on Intercollegiate Athletics as general operating guidelines for UHS intercollegiate athletics programs. (Restoring the Balance: Dollars, Values and the Future of College Sports. Report of the Knight Foundation Commission on Intercollegiate Athletics, 2010. pp. 10-18.) The Board and Chancellor expect such programs to operate under institutional control, with academic and financial integrity, and in full compliance with National Collegiate Athletic Association rules.

Annually, the Chancellor will review academic and financial matters related to intercollegiate athletics programs operated by component universities and report to the Board academic achievement of student athletes, compliance with NCAA rules, and financial status of the program. (02/16/11)

Related Statutes, Policies, or Requirements

National Collegiate Athletics Administration (NCAA) Division I Manual -
<http://www.ncaapublications.com/productdownloads/D111.pdf>

System Administrative Memoranda (SAMs)
02.A.02(6) – *Consulting and Paid Professional Service*

23 STUDENT AFFAIRS

23.01 Equal Educational Opportunity

The System and its component universities shall provide and promote equal educational opportunity for all persons and shall take affirmative steps directed toward eradicating the vestiges of past discrimination. No person shall be denied admission to a component University or be excluded from participation in, denied the benefits of, or be subject to discrimination under any program or activity sponsored or conducted by the System or a component University on any basis prohibited by applicable law, including race, color, national origin, religion, sex, disability, age, or veteran status.

Related Statutes, Policies, or Requirements

Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.*
Title IX of the Education Amendments of 1972, 20 U.S.C. §§ 1681-1688

Texas Education Code § 51.803 – *Automatic Admission: All Institutions*
Texas Education Code § 51.805 – *Other Admissions*
Texas Education Code § 51.807 – *Rulemaking*
Texas Education Code § 51.808 – *Application of Admission Criteria to Other Programs*
Texas Education Code § 51.809 – *Scholarship and Fellowship Awards*
Texas Education Code § 51.842 – *Admission and Scholarship Factors for Graduate and Professional Programs*

UH System Board of Regents Policy 23.02 – *Admissions*

23.02 Admissions

The component University shall establish and maintain standards for the admission of entering students consistent with the role and mission established for each University by the Board, based upon recognized and published criteria and designed to enhance the students' chances of academic success. Undergraduate admission standards, and any subsequent changes, must be approved by the Board. (See also 23.01 Equal Educational Opportunity)

Related Statutes, Policies, or Requirements

Texas Education Code § 51.352(d)(4) – *Responsibility of Governing Boards*
Texas Education Code § 51.803 – *Automatic Admission: All Institutions*
Texas Education Code § 51.805 – *Other Admissions*
Texas Education Code § 51.807 – *Rulemaking*
Texas Education Code § 51.808 – *Application of Admission Criteria to Other Programs*
Texas Education Code § 51.809 – *Scholarship and Fellowship Awards*
Texas Education Code § 51.842 – *Admission and Scholarship Factors for Graduate and Professional Programs*

UH System Board of Regents Bylaw 1.2(d)(4)
UH System Board of Regents Policy 23.01 – *Equal Educational Opportunity*

23.03 Student Use of Alcohol and Drugs

Component University regulations concerning student use of alcohol and controlled substances shall be consistent with state and federal law and reflect the intent of the Texas Legislature and Congress to discourage drug and alcohol abuse by students.

Accordingly, such regulations shall provide disciplinary measures including, and after due process, suspension from attendance or enrollment for a prescribed period of time.

Presidents shall encourage and develop regular communication with students for the purposes of:

- A. informing students of regulations concerning the use of alcohol and controlled substances; and
- B. informing students of programs, either on campus or in the community, designed to counsel and advise individuals regarding alcohol and drug abuse.

Related Statutes, Policies, or Requirements

20 U.S.C. § 1145g – *Drug-Free School and Communities Act, as amended*
41 U.S.C. Ch. 10 (§§ 701-707) – *Drug-Free Workplace*
Education Department General Administrative Regulations (EDGAR), 34 C.F.R. Part 86 – *Drug and Alcohol Abuse Prevention*

Texas Education Code § 51.9361 – *Rise Management Programs for Members and Advisors of Student Organizations*

UH Drug and Alcohol Use Prevention Policy, Student Handbook

23.04 Student Financial Aid

The Board is committed to the concept that all qualified students should be afforded educational opportunities regardless of individual financial circumstances.

Within the constraints of its resources, the System shall take all steps necessary to maximize the amount of available student financial aid, and shall take steps to fully utilize those funds to assist students whose education would not otherwise be possible.

Related Statutes, Policies, or Requirements

Title IV, Higher Education Opportunity Act of 2008 (Public Law 110-315).

Texas Education Code, Chapter 52 – *Student Loan Program*

Texas Education Code, Chapter 53B – *Higher Education Loan Authorities*

Texas Education Code, Chapter 56 – *Student Financial Assistance*

Texas Education Code, Chapter 57 – *Guaranteed Student Loans*

System Administrative Memoranda (SAMs)

06.A.12 – *Administration of Scholarships and Financial Aid*

23.05 Student Travel Policy

The Board delegates to the Chancellor the authority to develop, finalize, and implement a student travel policy for the System and its components, in compliance with Section 51.950 of the Texas Education Code. The policy shall address student travel that is undertaken by one or more students presently enrolled in the institution to reach an activity or event located more than 25 miles from the institution, that is organized and sponsored by the institution, and that is: 1. travel funded by the institution and using vehicles owned or leased by the institution; or 2. travel required by a student organization registered at the institution.

The Chancellor shall ensure that any student travel policy, including any amendments thereto, complies with applicable law, including Section 51.950 of the Education Code. Any student travel policy or amendment thereto is effective upon approval by the Chancellor, and shall be published as a part of the Student Handbook. (08/17/11)

Related Statutes, Policies, or Requirements

General Appropriations Act, Art. III, § 6 – *Student Travel Policy*

Texas Education Code § 51.950 – *Policy Regulating Student Travel*

System Administrative Memoranda (SAMs)

03.E.08 – *Travel by Student to Component University Funded Activity*

29 ACADEMIC AND STUDENT SUCCESS MISCELLANEOUS

29.01 HIV Services (AIDS)

Each component University and the System administration shall adopt policies consistent with the Human Immunodeficiency Virus Services Act, Texas Health and Safety Code, Section 85.001 (the “Act”).

Each component University shall include in appropriate academic programs curricula consistent with the educational objectives of the Act.

Each component University and the System administration shall communicate its policies in a manner designed to reach the widest possible audience of faculty, students, and staff.

Related Statutes, Policies, or Requirements

Texas Health and Safety Code, Chapter 85 – *Human Immunodeficiency Virus Services Act*

29.02 Sexual Harassment

The Board, the System, and the component universities are committed to providing a professional working and learning environment free from sexual harassment. Sexual harassment is a form of sex discrimination and is illegal. Neither the Board, nor the System, nor any component University will tolerate any form of sexual harassment. Furthermore, the Board, the System, and the component universities are committed to providing the training to educate staff, faculty, and students about sexual harassment issues.

The component universities and the System administration shall adopt policies consistent with this policy. The rights of claimants and respondents will be protected by the procedures developed by the institutions.

Related Statutes, Policies, or Requirements

Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e *et seq.*

Title IX of the Education Amendments of 1972, 20 U.S.C. §1681 *et seq.*

Equal Employment Opportunity Commission, *Guidelines on Discrimination Because of Sex* (defining sexual harassment), [29 Code of Federal Regulations § 1604.11\(a\)](#) (1988)

Texas Labor Code, Chapter 21 – *Employment Discrimination*
Texas Penal Code Ann. § 39.03 – *Official Oppression*

System Administrative Memoranda (SAMs)
02.A.03 – *Guidelines for Sexual Harassment Policies and Procedures*

SECTION IV – UNIVERSITY ADVANCEMENT

31 INFORMATION AND COMMUNICATION

31.01 Public Announcements

There shall be no public announcements or statements initiated by the System or its component universities relating to any matter or item that requires Board approval prior to official Board action other than those announcements and notices required by state law. The System Public Information Officer may respond to media inquiries as authorized by other Board policies, System Administrative Memoranda, rules, or regulations.

The System and its component universities are highly visible, major public institutions and situations will arise in which public announcements or discussions of items requiring Board approval are desirable or necessary prior to Board action. The Chancellor may authorize exceptions to the policy stated in the preceding paragraph after consultation with the chair of the Board. In all cases, any advance announcement must state that the item is subject to Board approval. (02/16/11)

Related Statutes, Policies, or Requirements

Texas Government Code, Chapter 551 – *Open Meetings Act*
Texas Education Code, Chapter 111 – *The University of Houston*

32 UNIVERSITY ADVANCEMENT

32.01 Management and Coordination of Activities

The Chancellor is responsible for managing and coordinating all of the University advancement activities (development and University relations) on behalf of the System. Development and University Relations activities involving the System Administration, component Universities; and volunteer groups will be planned and coordinated by the Chancellor or his/her designee and managed by the appropriate professional staff at each component University. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code § 51.002 – *Funds Subject to Control*
Texas Education Code § 51.947 – *Payroll Deductions for Certain Organizations*

Texas Education Code § 111.36 – *Donations, Gifts, Endowments*

System Administrative Memoranda (SAMs)

08.A.01 – *Management and Development of University Advancement Activities*

08.A.02 – *Private Support Organizations and Foundations*

08.A.04 – *Naming Opportunities*

08.A.05 – *Gifts by System Employees Through Payroll Deduction*

32.02 Naming Opportunities

The Board must approve the naming of a building (new, existing or expanded), college, school, program, institute or center recognizing a donor for his/her generosity to the System or a component University. The Board must also approve the naming of a building (new, existing or expanded), college, school, program, institute or center for the purpose of recognizing an individual or other entity based on distinguished leadership and/or service to the System or a component University. All naming opportunities should reflect favorably on, and bring honor to, the System.

The Board must approve the removal of a name of a building, college, school, program, institute or center.

The Board directs the Chancellor to develop procedures and guidelines for the proposal and recommendation of naming opportunities and removing names. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code § 51.002 – *Funds Subject to Control*

Texas Education Code § 111.36 – *Donations, Gifts, Endowments*

System Administrative Memoranda (SAMs)

08.A.04 – *Naming Opportunities*

32.03 Acceptance of Gifts

The Board must approve acceptance of gifts that result in the naming of a facility, college, school, program, institute or center. The Board delegates to the Chancellor or his/her designee the authority to give preliminary approval of gifts requiring Board approval but the Board must make its final acceptance of the gift prior to any public announcement. The Board also delegates to the Chancellor or his/her designee the final authority to approve acceptance of all gifts not specified elsewhere in these policies.

The Chancellor shall report to the Board on private support results and performance.
(05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code § 51.002 – *Funds Subject to Control*
Texas Education Code § 111.36 – *Donations, Gifts, Endowments*

System Administrative Memoranda (SAM)
03.F.01 – *Gift Acceptance*
03.A.04 – *Naming Opportunities*

32.04 Acceptance of Donated Property

The Board delegates to the Chancellor the authority to accept all gifts of real property. The Chancellor shall report to the Board all such gifts. The Chancellor shall administer these properties subject to Board policies and directions. No public announcement of a gift of real property shall be permitted until after the Chancellor has accepted the property. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Government Code § 2204.003 – *Gifts of Real Property to Institutions of Higher Education*
Texas Education Code § 111.36 – *Donations, Gifts, Endowments*
Texas Education Code § 111.39 – *Acquisition and Disposition of Land*

System Administrative Memoranda (SAM)
01.C.08 – *Receiving Gifts of Real Property*
03.F.01 – *Gift Acceptance*
03.A.04 – *Naming Opportunities*

32.05 External Constituency Records

The Board directs the System administration to create and manage a comprehensive data base that provides each component with timely, accurate, and integrated records and ensures maximum accountability to the Board in the area of alumni, donor, and other major external constituency relations.

While each component University has primary responsibility for carrying out its own external constituency development, the System administration should provide general direction of the creation and maintenance of an integrated demographic data base containing

all alumni, donor, and other major external constituency records for the on-site use and benefit of all component universities. (05/17/07)

Related Statutes, Policies, or Requirements

System Administrative Memoranda (SAM)

03.F.01 – *Gift Acceptance*

32.06 Private Support Organizations and Foundations

The Board recognizes that there are legally incorporated nonprofit organizations (support organizations) whose sole purpose is to benefit the University of Houston System or any of its component institutions or any of the activities within those component institutions. These organizations are administered by Boards of directors that are independent from the direct control and supervision of the UH System Board of Regents. However, because state law charges the Board with governance of the System, the Board must ensure that the existence, purpose, and operations of all such organizations and foundations are consistent with the Board's policies and objectives for the System. The Board therefore delegates to the System Chancellor the authority necessary to ensure compliance with the following policy on the parts of all such private support organizations and foundations. The Chancellor and/or his/her designee shall report to the Board annually on the compliance status of each support organization.

Any nonprofit entity wishing to become a support organization of the System or any of its component institutions must first enter into a written agreement with the Board that adequately addresses the following:

- A. use of the names or any parts thereof, of the University of Houston System, and its component institutions by the support organization;
- B. administration and investment of funds received by the support organization for the benefit of the System, including reporting and auditing requirements concerning assets, gifts, and distributions;
- C. use of System staff, facilities, and other resources;
- D. service by an officer or employee of the System and/or its component institutions as an officer or director of the support organization;
- E. remuneration of an officer or employee of the System and/or its component institutions by the support organization;
- F. access to the records and documents of the support organization by the University of Houston System, including its Internal Auditor;

- G. the compatibility of the activities of the private support organization in relation to the mission of the System; and
- H. other issues the Chancellor deems necessary in establishing rules governing all aspects of conduct of the System and its employees in relationship to the support organization. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Government Code § 2255.001 – *Private Donors and Organizations*

UH System Board of Regents Policy 58.02

System Administrative Memoranda (SAM)

08.A.02 – *Private Support Organizations and Foundations*

32.07 Coordination of Major Donor Prospect Cultivation and Solicitation Activity

The Board designates the Chancellor or his/her designee as the coordinator for all major donor prospects. All contacts, cultivation visits, and solicitations to major donor prospects must be coordinated by the Chancellor or his/her designee through the prospect management System. The Chancellor shall develop guidelines and procedures for the prospect management System. (05/17/07)

Related Statutes, Policies, or Requirements

System Administrative Memoranda (SAM)

03.F.01 – *Gift Acceptance*

08.A.01 – *Management and Development of University Advancement Activities*

08.A.02 – *Private Support Organizations and Foundations*

08.A.04 – *Naming Opportunities*

39 UNIVERSITY ADVANCEMENT MISCELLANEOUS

SECTION V – AUDIT AND COMPLIANCE

41 AUDIT AND COMPLIANCE

41.01 Internal Auditing

To develop a framework for the implementation of the internal audit function within the System, and to define the scope of the internal audit function as an effective management tool for use by the Chancellor and the Board in evaluating the System's fiscal integrity and compliance with the Texas Internal Auditing Act, Texas Government Code, Section 2102, applicable state and federal laws and with approved Board policies, the Board adopts the following policy:

41.01.1 Philosophy

- A. A primary responsibility of the Board is to ensure the legal and fiscal integrity of the System. To that end, the Board directs the Department of Internal Auditing to perform those audit activities necessary to assure that the System's resources are being properly managed and accounted for and that the institution is complying with approved policies and statutory requirements.
- B. Internal audits are resource tools for management and enable the System to monitor the effectiveness with which policies are followed, objectives met, and control Systems function.
- C. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the System's operations. It helps the System accomplish its objectives by bringing a Systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- D. The Department of Internal Auditing will be free of all operational and management responsibilities that would impair the ability to make independent reviews of all aspects of the System.
- E. In carrying out their duties and responsibilities, members of the Department of Internal Auditing will have full, free, and unrestricted access to all System activities, records, property, and personnel. The Internal Auditing Department may also request access to the financial records of private support organizations and foundations chartered for the benefit of the University of Houston System or any part thereof.

41.01.2 Organizational Responsibility

- A. The Chief Audit Executive will report directly to the chair of the Audit and Compliance Committee of the Board, and have access to the Chancellor.

- B. The Board is responsible for the employment, evaluation, and dismissal of the internal auditor; however, the Chancellor has the authority to make recommendations to the Board on the employment, evaluation, and dismissal of the internal auditor.
- C. The Department of Internal Auditing will perform its duties in accordance with the Standards for the Professional Practice of Internal Auditing and the Code of Professional Ethics, as established by the Institute of Internal Auditors, and generally accepted government auditing standards.

41.01.3 The Internal Auditing Process

- A. In August of each year, the Department of Internal Auditing will present to the Audit and Compliance Committee a long-range audit plan and an annual audit plan for the Board's review and approval. This plan will include a summary of the resources dedicated to the Internal Audit program in order for the board to determine if adequate resources exist to ensure that risks identified in the annual risk assessment are adequately covered within a reasonable time frame.
- B. The Chief Audit Executive will meet with the Chancellor on a regular basis to review audits performed, audits in progress, and future audits, and special investigations.
- C. The Chief Audit Executive will meet with the chair of the Audit and Compliance Committee on a regular basis to review audits performed, audits in progress, and future audits.
- D. Internal Audit reports will be distributed to the Chancellor, members of the Board of Regents, the State Auditor, the Governor's Office of Planning and Budgeting, the Legislative Budget Board and the Sunset Advisory Commission, as required by the Texas Government Code, Section 2102.

41.01.4 Objectives

The internal audit activity evaluates and contributes to the improvement of the System's risk management, control and governance Systems by addressing the following objectives:

- A. **Risk Management:** Internal audit activity will assist the System by identifying and evaluating significant exposures to risk and contributing to the improvement of risk management and control Systems.
- B. **Control:** Internal audit activity will assist the System in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.
- C. **Governance:** Internal audit activity will contribute to the System's governance process by evaluating and improving the process through which values and goals are established and communicated, 1. the accomplishment of goals is monitored, 2. accountability is ensured, and 3. values are preserved.

- D. The internal audit activity will evaluate risk exposures and adequacy and effectiveness of controls relating to the System's governance, operations and information Systems regarding the
- Reliability and integrity of financial and operational information
 - Effectiveness and efficiency of operations
 - Safeguarding of assets
 - Compliance with laws, regulations, and contracts.
- E. The Internal Audit Department will coordinate audit efforts with those of external CPA firms and the state auditor's office. (02/16/11)

Related Statutes, Policies, or Requirements

Texas Government Code § 321.0136 – *Investigation*

Texas Government Code, Chapter 2102 – *Texas Internal Auditing Act*

The Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing and Code of Ethics - <http://www.theiia.org/guidance/standards-and-guidance/ippf/>.

U.S. Government Accountability Office, Government Auditing Standards (The Yellow Book) - <http://www.gao.gov/new.items/d07731g.pdf>.

System Administrative Memoranda (SAMs)

01.C.04 – *Reporting/Investigating Fraudulent Acts*

04.A.01 – *Audits by External Auditors*

04.A.02 – *Audits by Internal Auditing*

42 COMPLIANCE

42.01 Institutional Compliance

The Chancellor, as Chief Executive Officer of the System, is responsible for ensuring the implementation of an institutional compliance program for the System. Accordingly, the System-wide Compliance Officer prepares an executive summary of all institutional compliance activity of the component institutions.

42.01.1 System-Wide Compliance Officer

The System-wide Compliance Officer is responsible, and will be held accountable for, apprising the Chancellor and the Audit and Compliance Committee of the institutional compliance functions and activities at each of the component institutions as set out in

Subparagraph B, below. The System-wide Compliance Officer provides institutional compliance assistance to the Chancellor and the Vice Chancellors in the exercise of their responsibilities.

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

B. **Duties and Responsibilities:** The primary responsibilities of the System-wide Compliance Officer include developing an infrastructure for the effective operation of The University of Houston System Institutional Compliance Program; chairing the System-wide Compliance Officers Council; and prescribing the format for the annual risk-based compliance plan and the quarterly compliance status reports to be submitted by each component institution.

Texas Education Code § 51.971 – *Compliance Program*

42.02 Identity Theft Prevention Program

The Chancellor, as Chief Executive Officer of the System, is responsible for ensuring the implementation of an identity theft prevention program which adheres to the Federal Trade Commission’s Red Flag Rule under sections 114 and 315 of the Federal Fair and Accurate Credit Transactions Act. At least annually, the System-wide compliance officer prepares an executive summary of all activities of the Identity Theft Prevention Programs of the component institutions. (12/16/08)

Federal Fair and Accurate Credit Transactions Act, Pub.L. 108-159.
Federal Trade Commission Red Flag Rule, 16 C.F.R. § 681.2.

System Administrative Memoranda (SAMs)
01.C.14 – *Identity Theft*

49 AUDIT AND COMPLIANCE MISCELLANEOUS

SECTION VI – ADMINISTRATION AND FINANCE

51 REAL ESTATE

51.01 Acquisition and Sale of Property

The acquisition and sale of all real property shall be approved by the Board in compliance with Policy 55.01 with at least two (2) appraisals in demonstrating fair market value. Real property with a fair market value of less than \$50,000 may be demonstrated by approved documentation other than by appraisal. All acquisitions and sales of real property shall be by an approved purchase agreement and special warranty deed in transferring title, including appropriate qualifying language. All documentation must be reviewed and approved by the Office of the General Counsel. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code § 55.11 – *General Authority*

Texas Education Code § 111.39 – *Acquisition and Disposal of Land*

System Administrative Memoranda (SAMs)

01.C.08 – *Receiving Gifts of Real Property*

03.A.05 – *Contract Administration*

03.F.05 – *Conveyance of Real Property*

52 PROPERTY

52.01 Abandoned and Unclaimed Personal Property

The Board delegates to the Chancellor the authority and responsibility for the safekeeping and appropriate disposition of unclaimed or abandoned personal property found on University grounds. Disposition of abandoned or unclaimed property shall be in accordance with state statutes. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code § 51.213 – *Abandoned Personal Property*

53 FACILITIES

53.01 Works of Art

The System-wide Art Acquisition Committee (SWAAC) shall provide art acquisition services for the administration. The Committee shall be appointed by the Board according to guidelines noted in the SWAAC procedures manual.

53.01.1 Acquisition of Works of Art

This policy pertains to construction projects in excess of \$1,000,000 involving construction of a new building or the addition of square footage to an existing building. One percent of the construction costs shall be allocated for the acquisition of art for the project. Of the 1% allocated, up to 10% may be set aside for the operating budget supporting the System-wide Art Acquisition Committee (SWAAC). The determination will be made by the Executive Vice Chancellor for Administration and Finance in consultation with the Chancellor. The SWAAC Procedures Manual shall be submitted to the Board for approval.

Any college, foundation, corporation, or other entity wishing to contribute to new facilities, donate, participate in a joint venture, or otherwise give or create new facilities with any component of the System must include, as part of the project cost, at least one percent of the construction cost for the commissioning, selection, and installation of art. The Board delegates to the Chancellor or his/her designee the authority to identify and acquire art. All works of art acquired through the process must be recommended by the SWAAC in accordance with the SWAAC Procedures Manual and approved by the Chancellor. (08/17/11)

Related Statutes, Policies, or Requirements

Texas Government Code § 444.029 – *Expenditures for Fine Arts Projects on Certain Public Construction Projects*

53.02 Building Identification Plaques

Building identification plaques shall be placed in all new buildings constructed by the System.

53.02.1 Contents

Building identification plaques shall contain:

- A. the name of Texas governor at the time of approval of the project;
- B. the names of Chair, Vice Chair, Secretary and other members of the Board at the time of approval of the project;
- C. the names of the Chancellor and component University President at the time of approval of the project;
- D. the names of architects;
- E. the name of general contractor;
- F. the year project is approved; and
- G. the year building construction is completed.

53.02.2 Definitions

The “time of approval” date shall be the date the Board approves the project program, budget, schedule, and schematic design.

The “completion” date shall be the date established by the certificate of substantial completion as issued by the architect and approved by the Executive Vice Chancellor for Administration and Finance.

53.02.3 Funding

Building identification plaques will be paid for from project funds. *(05/17/07)*

53.03 Selection and Approval of Professional Services and General Contractors

53.03.1 The Board delegates to the Chancellor the authority to select and approve the services of architects, engineers, and general contractors for construction and renovation projects requiring Board approval and to execute appropriate contracts to secure the aforementioned services.

Upon presentation of the proposed projects to the Board, the Executive Vice Chancellor for Administration and Finance shall provide a summary of the project, which shall include a description of the procurement process to be used. *(08/17/11)*

53.03.2 The Board delegates to the Chancellor, or his/her designee, the authority to select, approve, and execute appropriate contracts to secure the following services:

- A. Architects, engineers, and general contractors for projects not requiring Board approval; and,
- B. Professional services firms relating to testing, real estate, environmental issues, and HVAC Systems, for all construction and renovation projects, and professional services for other projects as authorized by the Chancellor not requiring Board approval. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code §§ 51.776 – 51.785 – *Construction and Repair of Permanent Improvements*

Texas Government Code § 2254.003 & 2254-004– *Contract for Professional Services of Architect, Engineer, or Surveyor*

System Administrative Memoranda (SAMs)

01.B.03 – *Selection of Architectural and Engineering Firms*

01.B.05 – *Signature Authority for Construction Contracts*

01.B.07 – *Facilities Acquisition, Construction or Renovation*

53.04 Approval of Construction Projects

The Executive Vice Chancellor for Administration and Finance shall present for approval to the Board projects for new construction or major repair and rehabilitation of buildings and facilities when the total cost is equal to or greater than the submittal threshold requiring Texas Higher Education Coordinating Board (“THECB”) action. In such cases, the Board will be presented with the project, budget, schedule and, if applicable, a program and schematic design. Once a project is approved by The Higher Education Coordinating Board, the Board delegates to the Chancellor the authority to negotiate and execute all appropriate contracts and easements required to accomplish the project provided it is within the approved scope and budget of the project. In the event project budget increases do not exceed an aggregate amount of \$1,000,000, additional approval is not required by the Board. (08/17/11)

Related Statutes, Policies, or Requirements

Texas Constitution Art. VII, § 17 – *Colleges and Universities: Appropriations and Funding*

Texas Education Code §§ 51.776 – 51.785 – *Construction and Repair of Permanent Improvements*

Texas Education Code §§ 62.001 – 62.027 – *Constitutional and Statutory Funds to Support Institutions of Higher Education*

System Administrative Memoranda (SAMs)

01.B.05 – *Signature Authority for Construction Contracts*

01.B.07 – *Facilities Acquisition, Construction or Renovation*

54 GROUNDS

55 FINANCE

55.01 Contracts

No person has the authority to bind the System contractually except in accordance with this policy.

55.01.1 Board Approval

In an open meeting, the Board must approve:

- A. Purchase, gift or acquisition of real property;
- B. The sale of real property or conveyance of any interest in real property; expressly excluded are utility easements to serve one or more component universities. *(08/17/11)*
- C. as lessee, all real estate leases, lease renewals and extensions, if the obligation of the lease is equal to or greater than \$1,000,000. *(08/17/11)*
- D. Oil and gas leases with an expected bonus exceeding \$100,000. *(08/17/11)*
- E. banking agreements; *(02/16/10)*
- F. any single procurement contract for any equipment, goods, and services, not specified above, which is expected to exceed \$1,000,000 in a fiscal year with exception of contracts that fall within and are a part of approved construction projects set forth in Section 55.04 or investment agreements; *(02/16/10)*

- G. any extension, modification, or renewal of an existing contract which is expected to exceed \$1,000,000 in a fiscal year with the exception of investment agreements; (02/16/10)
- H. any series of contracts which are initiated in the same department for the same goods or services with the same party within a fiscal year, that, if combined in one contract, would require Board approval or reporting;
- I. any other contract the Board might designate as having significant importance to require Board approval.

55.01.2 Delegation of Authority for Contracts Requiring Board Approval

- A. *Delegation to the Chancellor.* The Chancellor shall execute all contracts approved by the Board.
- B. *Delegation by the Chancellor.* All delegations of contracting authority shall be in writing, approved by the Chancellor, and filed with the Board. No employee, officer, or agent of the System shall have the authority to execute contracts unless delegated such authority pursuant to this policy.
- C. *General Counsel Review.* All contracts must be reviewed and approved as to form by the Office of the General Counsel before execution. The Office of the General Counsel may approve uniform contracts which, thereafter, may be used without additional review and approval by the Office of General Counsel, as long as the standard form of agreement has not been altered. Standard form contracts requiring Board or Chancellor approval must be reviewed by the Office of General Counsel. (08/17/11)
- D. *Construction Contract Review.* The System Office of Facilities and Planning shall review all plans, specifications and bidding documents for compliance with applicable state laws governing their areas of responsibility prior to being released for bidding. The purchasing department of the component University shall review the bidding documents for compliance with University and System policies as well as state law. (08/17/11)
- E. *Emergencies.* In the event of a bona fide emergency, as declared by the chairman of the Board upon consultation with the Chancellor, the Chancellor may enter into a contract that would otherwise require Board approval under this policy, provided that the Chancellor submits such contract to the Board for ratification at the next regular meeting of the Board.

55.01.3 Delegation of Authority for Contracts not Requiring Board Approval

- A. *Delegation to the Chancellor.* The Chancellor may negotiate, execute, and administer all contracts and related necessary legal documents and instruments not requiring Board approval according to section 55.01.

- B. *Delegation by the Chancellor.* The Chancellor may delegate the authority granted by section 55.01.3A to System administration officers or the Presidents, according to their areas of responsibility. The Chancellor may approve the further delegation of such authority by System administrative officers or the Presidents as is appropriate.
- C. *General Counsel Review.* All contracts must be reviewed and approved as to form by the Office of General Counsel before execution. The Office of General Counsel may approve uniform contracts which, thereafter, may be used without additional review and approval by the Office of General Counsel, as long as the standard form of agreement has not been altered. (08/17/11)
- D. *Construction Contract Review.* When total project costs of a new construction and/or renovation project are \$300,000 or less, each component shall ensure that all plans, specifications, and bidding documents are reviewed for compliance with applicable state laws prior to being released for bidding. When total project costs are greater than \$300,000, the System's office of Facilities Planning and Construction shall manage such projects, including review of all plans, specifications and bidding documents for compliance with applicable state laws prior to being released for bidding.

55.01.4 Reporting to the Board

Following the end of each fiscal year, a report shall be submitted to the Board for:

- A. All professional service or consulting contracts awarded during the fiscal year where the total compensation from System-wide sources to a single entity is expected to exceed \$250,000, and
- B. All construction, equipment, goods and service contracts awarded during the fiscal year (including any amendments) where total compensation from System-wide sources to a single entity is expected to exceed \$1,000,000.

The report shall indicate the procurement method utilized and be subject to the Department of Internal Auditing's review for compliance with the applicable laws and UHS policies. Investment agreements are not included in this reporting requirement (08/17/11)

Related Statutes, Policies, or Requirements

Texas Education Code §§ 51.776 – 51.785 – *Construction and Repair of Permanent Improvements*

Texas Education Code § 111.34 – *Contracts*

State of Texas Contract Management Guide,

http://www.window.state.tx.us/procurement/pub/contractguide/CMG_Version_1.4.pdf

System Administrative Memoranda (SAMs)

01.B.05 – *Signature Authority for Construction Contracts*

01.B.07 – *Facilities Acquisition, Construction or Renovation*

03.A.05 – *Contract Administration*

55.02 Competitive Bidding

The purpose of this policy is to achieve efficiency in the expenditure of System funds for goods and services, to prevent favoritism or the appearance of favoritism, to secure the best goods and services at the best value, and to stimulate competition. (08/17/11)

55.02.1 Applicability

- A. This policy applies to all contracts that require the approval of the Board under Board Policy 55.01.
- B. This policy shall not be construed as enlarging or restricting the competitive bidding requirements imposed by state or federal law or administrative rule, regulation, or order.
- C. This policy shall not apply to any situation where the service or product to be contracted for is unique and/or is available from only one source or where procurement is allowed without competitive bidding standards as allowed by law.

55.02.2 Competitive Bidding Required

- A. The Board will only enter into a contract when the contracting party was selected pursuant to a competitive bidding process designed to fulfill the purposes of this policy except when otherwise prohibited by law.
- B. This policy does not mandate any particular form of bidding process for every contract. However, any such process must meet the following minimum requirements:
 - 1. when the subject matter warrants, the process should permit an objective analysis of bidding responses; (08/17/11)
 - 2. the process should provide enough advance information through invitations to bid or requests for proposals so as to invite bids from as many eligible sources as practicable;
 - 3. when appropriate, based on subject matter, the process should invite creativity in the delivery of goods or services

4. the process should recognize qualitative as well as quantitative comparisons of responses or proposals; and
5. no evaluation or comparison of bids should be conducted until the time has expired for receiving all bids or requests for proposals. (08/17/11)

Related Statutes, Policies, or Requirements

Texas Education Code §§ 51.778 – *Competitive Bidding on Contracts*

Texas Education Code §§ 51.779 – *Evaluation of Bids and Proposals for Construction Services*

Texas Education Code §§ 51.9335 – *Acquisition of Goods and Services*

Texas Education Code §§ 111.34 – *Contracts*

State of Texas Contract Management Guide,

http://www.window.state.tx.us/procurement/pub/contractguide/CMG_Version_1.4.pdf

System Administrative Memoranda (SAMs)

01.B.05 – *Signature Authority for Construction Contracts*

01.B.07 – *Facilities Acquisition, Construction or Renovation*

03.A.05 – *Contract Administration*

03.B.01 – *Purchasing Guidelines*

55.03 Travel Reimbursement

The Board delegates to the Chancellor or his/her designee the authority to approve all travel reimbursements from appropriated or other funds. All such reimbursements must be in compliance with the rules and regulations set out in state law.

The Texas Education Code section 51.555 allows the University of Houston System to pay for the regents' actual expenses, including travel expenses, incurred in attending the work of the Board subject to the approval of the Board chair. Any incremental travel expenses incurred by the University of Houston System or by a Board member on behalf of a Board member's spouse, dependents or guests, in attending the work of the Board, are the sole responsibility of the Board member. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code §§ 111.15 – *Compensation*

Texas Government Code, Chapter 660 – *Travel Expenses*

System Administrative Memoranda (SAMs)
01.C.05 – *Executive Travel*
03.A.03 – *Business Travel*
03.A.21 – *Employee’s Family Travel Expenses*

55.04 Historically Underutilized Businesses (“HUB”)

The Board adopts the following policy to comply fully with the letter and the spirit of Chapter 2161 of the Texas Government Code, and the applicable provisions of the current Appropriations Act. The Board pledges to:

- A. reaffirm the System’s commitment to the principles of equal opportunity for all businesses and to act affirmatively to increase the participation of historically underutilized businesses in the System’s procurement processes;
- B. encourage participation in procurement from HUB;
- C. foster further expansion and development of HUB;
- D. actively assist HUB in Texas, particularly in the areas served by the various component universities, in becoming familiar with the procurement processes of the System;
- E. support growth and new business opportunities in the areas served by the System, thereby promoting the economic development of the state;
- F. expand the number of suppliers and contractors seeking to provide goods and services to the System, thereby encouraging competition, with the ultimate goal of improving quality and economy of goods and services purchased by the System;
- G. support and encourage the improvement of business conditions encountered by HUB; and
- H. heighten awareness throughout the System and the communities served by the System, of the capabilities and needs of HUB that can provide goods and services for the System.

55.04.1 Applicability

- A. This policy applies to all purchases and procurements of goods and services for the System and its component universities.
- B. It is the intent of the System that the goals of this policy will apply to the hiring of subcontractors by its contractors. This intent will be reflected in bid documents and in the provisions of all contracts.

- C. This policy shall not be construed as permitting variation from competitive bidding requirements as imposed by state or federal law or administrative rule, regulation, or order.

55.04.2 Definitions

- A. “Historically Underutilized Business” (“HUB”) means:
 - 1. a for-profit corporation, sole proprietorship, partnership, joint venture or supplier contract between an economically disadvantaged business with principal place of business in this State, and a prime contractor;
 - 2. designated by the State Purchasing and General Services Commission; and
 - 3. in which at least 51 percent of all classes of the shares of stock or other equitable securities are owned by one or more persons who are economically disadvantaged because of their identification as members of certain groups, including Black Americans, Hispanic Americans, women, Asian Pacific Americans, and Native Americans, who have suffered the effect of discriminatory practices or similar insidious circumstances over which they have no control and who have a proportionate interest and demonstrate active participation in the control, operation, and management of the corporation’s affairs.

The General Services Commission will certify a business enterprise meeting the above criteria.

55.04.3 Assessment

- A. Each component University and the designated person for the System administration will report annually to the Chancellor or his/her designee on purchases and contracts with HUB.
- B. Each March and September the Chancellor or his/her designee shall report on the purchases and contracts awarded to HUB and all non-treasury funds spent with HUB for the previous six month period to the General Services Commission as required by the Texas Government Code.
- C. Each component University and the System administration will include in its strategic plan, a plan for increasing the use of HUB in purchasing and construction contracting as required by the TX Comptroller’s Office. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Government Code, Chapter 2161 – *Historically Underutilized Businesses*
34 Texas Administrative Code, Chapter 20 – *Historically Underutilized Business Program*

System Administrative Memoranda (SAMs)

03.A.05 – *Contract Administration*

03.B.01 – *Purchasing Guidelines*

03.B.02 – *Contracting with Historically Underutilized Businesses (HUBs)*

55.05 Write-Offs of Uncollectible Accounts

All write-offs of uncollectible accounts on the accounting records of the University of Houston System must be approved by the Board of Regents. (08/17/11)

Related Statutes, Policies, or Requirements

Texas Government Code § 403.031 – *General Accounting Duties*

Texas Comptroller Fiscal Policies & Procedures C.001 – *Accounting for Uncollectible Accounts*

55.06 Higher Education Assistance Fund (HEAF)

According to Article VII, Section 17 of the Texas Constitution, the Texas Legislature makes appropriations from the Higher Education Assistance Fund (HEAF) to the Boards of Regents of institutions of higher education, including the Board of Regents of the University of Houston System. The Board is responsible for authorizing HEAF expenditures by System components based on the Chancellor's recommendation.

The Chancellor is responsible for recommending HEAF expenditures to the Board based on System-wide priorities. The Presidents are responsible for recommending University HEAF priorities to the Chancellor, based on plans that identify the need to acquire land; to construct and equip buildings; to rehabilitate or make major repairs to buildings and facilities; to acquire capital equipment; and to acquire library books or other library materials. HEAF allocations are recommended annually during the budget process. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Constitution Art. VII, § 17 – *Colleges and Universities: Appropriations and Funding*

Texas Education Code, Chapter 62 – *Constitutional and Statutory Funds to Support Institutions of Higher Education*

System Administrative Memoranda (SAMs)

01.B.07 – *Facilities Acquisition, Construction, or Renovation*

03.A.11 – *HEAF Bond Proceeds Expenditure Reimbursements*

03.B.01 – *Purchasing Guidelines*

56 FEES

56.01 Concurrent Enrollment Fees

It is the policy of the Board to avoid undue economic hardship caused by the duplication of mandatory fees on students enrolled in two or more component universities. Subject to the limitations and conditions established by state law, such students may apply for and receive waivers or reductions of building use fees and student service fees under the regulations and procedures established by the System. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code § 54.011 - *Tuition Limit in Cases of Concurrent Enrollment*

Texas Education Code § 54.5061 – *Student Services Fees; the University of Houston*

Texas Education Code § 54.526 – *Student Fees for University Centers; the University of Houston*

Texas Education Code § 54.528 – *Recreational Facility Fee; the University of Houston*

56.02 Fees for Continuing Education Courses

In accordance with Section 54.545 of the Texas Education Code, the Board delegates authority to the Chancellor, or his/her designee, to set fees for each continuing education course at each institution in an amount sufficient to permit the institution to recover the costs of providing the course. Fees will be charged only for a course for which the institution does not collect tuition or receive formula funding, including an extension course, correspondence course, or other self-supporting course.

Information regarding fees charged for continuing education courses shall be on file at each institution in the office of the President. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code § 54.545– *Fees for Continuing Education Courses*

56.03 Approval of Tuition, Fees and Other Charges

Tuition, fees, or other charges to students, faculty, staff, and the general public at any component University of the System shall be established or changed only in accordance with this policy.

56.03.1 Board Approval

The Board shall approve all fees and charges as allowed by law, or any amendment thereto, made by any component University for:

- A. tuition;
- B. student service fees;
- C. general fees;
- D. laboratory fees;
- E. computer use fees;
- F. general property deposits;
- G. room and Board within University housing for students; and
- H. parking privileges.

56.03.2 Delegation of Authority

Exclusive of those charges or fees requiring Board approval, the Chancellor may set charges or fees, or any amendment thereto. At least once each fiscal year, the Chancellor shall submit to the Board for its approval a list of such charges or fees.

56.03.3 Waivers

The Chancellor or the Presidents may waive fees or charges as allowed by law.
(05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code Chapter 54 – *Tuition and Fees*
Texas Education Code § 55.16 – *Board Responsibility*

57 PERSONNEL

57.01 Code of Ethics

57.01.1 All members of the Board and all employees of the System and its component universities shall adhere to the highest ethical standards of conduct reflected in state law and Board policies.

57.01.2 The System code of ethics is comprised of the following components:

- A. Statutory Standards of Conduct for State Employees, Section 572.051, Texas Government Code;
- B. the following Board policies:
 - 1. Academic Freedom (21.03)
 - 2. Sexual Harassment (29.02)
 - 3. Governmental Appearances (81.01)
 - 4. Consulting and Paid Professional Service (57.02)
 - 5. Dual Office Holding (57.04)
 - 6. Nepotism (57.07)
 - 7. Conflicts of Interest (57.08)

57.01.3 All members of the Board and employees of the System and its component universities shall be furnished a copy of the laws and policies comprising the code of ethics at the time of employment or commencement of service and at the start of each academic year. (05/17/07)

57.01.4 All members of the Board shall annually sign conflict of interest certification statements affirming their compliance with their official oath and specific provisions of Texas statutes related to ethical behavior. (12/16/08)

Related Statutes, Policies, or Requirements

Texas Government Code § 572.051 – *Standards of Conduct; State Agency Ethics Policy*

UH System Board of Regents Policy 57.08 – *Conflicts of Interest*

System Administrative Memoranda (SAM)

57.02 Consulting and Paid Professional Service

Full-time members of the faculty and professional or administrative staff may engage in external consultation or other paid professional services, provided such activities benefit the System and contribute to the professional development of the individual.

This privilege is subject in all instances to the conditions set forth below. Failure to comply with this policy may subject an employee to disciplinary action including reprimand, suspension, or termination.

57.02.1 The first responsibility of the individual is to the System, and outside professional commitments should not interfere with the person's full-time responsibility to the System.

57.02.2 No outside obligation should result in any conflict of interest involving the individual's responsibilities to the System or to its programs, policies, and objectives. Consulting and other professional agreements that represent actual or potential conflicts of interest must be avoided.

57.02.3 Use of System facilities, space, equipment, or support staff for consulting or other paid professional activities is permitted only if a financial arrangement has been concluded between the individual and the administration prior to the employee's beginning the outside consulting or other paid professional service.

57.02.4 Individuals may not represent themselves as acting in the capacity of System employees when conducting consulting or other paid professional activities. The System bears no responsibility for any actual or implied obligations or liabilities incurred by the individual resulting from a consulting or other paid professional agreement or activity.

57.02.5 Faculty who wish to arrange consulting or other paid professional activities must provide prior written notification to their dean. Review by their dean of such activities will include consideration of any real or apparent conflict of interest and the benefit of the proposed service to the System and the component University. Each faculty member who engages in consulting or other paid professional service, including teaching on a temporary basis at other institutions, must ensure that such activities do not require commitments of time averaging more than one day per calendar week, and must arrange such activities so as not to interfere with regularly scheduled classes.

57.02.6 Professional or administrative staff who wish to arrange consulting or other paid professional activities must obtain prior written approval from the appropriate supervisor. While consulting is a recognized aspect of faculty activities with the limitations noted in

this document, consulting by professional or administrative staff must be justified on an individual basis by clear and direct benefit to the System.

57.02.7 When any of an individual's salary is paid from funds for externally sponsored activities, the time allowable for consultation or other paid professional activities must comply with sponsor requirements.

Unpaid public service is not included in this policy, nor is occasional lectures that include fees, unless these activities require significant amounts of time or otherwise conflict with regular System obligations.

Each President and the Chancellor will establish a process for monitoring outside paid professional activities of their faculty and staff in order to ensure that such activities are consistent with the above policy and also serve System purposes. The Chancellor will report to the Board annually on such activities. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Government Code, Chapter 574 – *Dual Office Holding*
Texas Government Code § 572.051 – *Standards of Conduct; State Agency Ethics Policy*

System Administrative Memoranda (SAM)
02.A.08 – *Consulting and Outside Employment (Paid Professional Service)*
02.A.09 – *Conflict of Interest*
02.A.29 – *Ethical Conduct of Employees*

57.03 Equal Employment Opportunity

The University of Houston System shall provide equal opportunity for employment to all persons regardless of race, color, religion, sex, national origin, disability, age, or veteran status, and shall strive to achieve full and equal employment opportunity throughout the System for faculty and staff employees. (05/17/07)

Related Statutes, Policies, or Requirements

Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e (race, color, religion, sex, national origin)
Equal Pay Act of 1963, 29 U.S.C. 206(d) (sex)
Age Discrimination in Employment Act of 1967, [29 U.S.C. §§ 621-634](#) (age)
The Rehabilitation Act of 1973, Sections 501 & 505, 29 U.S.C. § 794 (disability)

Americans with Disabilities Act of 1990, as amended, Titles I & V, 42 U.S.C. § 12101, *et seq.*
(disability)
Civil Rights Act of 1991 (42 U.S.C. § 1981)(race, color, disability, religion, sex, national origin,
age)
Uniformed Services Employment and Reemployment Rights Act, 38 U.S.C. §4331 *et seq.*,
(veteran status)

Texas Labor Code, Chapter 21 – Employment Discrimination (race, color, disability, religion,
sex, national origin, age)
40 Texas Administrative Code, Part 20, Chapter 819, Subchapters A-H – Texas Workforce
Commission Civil Rights Division (race, color, disability, religion, sex, national origin, age)

System Administrative Memoranda (SAM)
01.D.05 – *Equal Employment Opportunity*

57.04 Dual Office Holding

The Board must give its approval before the Chancellor or a President of any component institution may hold other non-elective state or federal office or position of honor, trust, or profit. Approval must include formal findings that the dual office holding is of benefit to the state or required by state or federal law, and creates no conflict of interest. (02/16/11)

Related Statutes, Policies, or Requirements

Texas Constitution, Art. XVI, § 12 – *Members of Congress; Officers of United States or Foreign Power; Ineligibility to Hold Office*
Texas Constitution, Art. XVI, § 40 – *Holding More than One Office; Exceptions*
Texas Government Code, Chapter 574 – *Dual Office Holding*
Texas Government Code § 572.051 – *Standards of Conduct; State Agency Ethics Policy*

System Administrative Memoranda (SAM)
02.A.08 – *Consulting and Outside Employment (Paid Professional Service)*
02.A.09 – *Conflict of Interest*
02.A.29 – *Ethical Conduct of Employees*

57.05 Outside Employment or Appointments of Executive Officers

The Chancellor and Executive Officers of the System Administration and the Presidents and Vice Presidents of the component Universities may become members of a Board of Directors, Trustees, Regents, or of a corporation or institution's Governing Body by whatever name, if the position: 1) is of benefit to the state or is required by state or federal law, and 2) creates no conflict of interest. Such service will usually be deemed to be in the best interest of the University of Houston System. Approval procedures for these positions will be as follows:

57.05.1 The Board should be informed of a non-compensated appointment of the Chancellor or a President of any component institution, including a statement that the appointment meets the two requirements stated above.

57.05.2 Prior to the Chancellor or a President accepting an invitation to serve in an additional position that includes compensation greater than \$25,000. The Board must approve this appointment and must also make an official record of the compensation, including salary, bonus, per diem or other types of compensation. The Board should be informed of appointments to compensated Boards below the \$25,000 threshold.

57.05.3 Compensation is defined as remuneration for services rendered, and does not include reimbursement of expenses whether by direct reimbursement or per diem.

57.05.4 The Board delegates to the Chancellor the authority to approve outside employment or appointments for the Vice-Chancellors of the system and each President is delegated the authority to approve for their Vice-Presidents, in compliance with the requirements stated above.

. (02/16/11)

Related Statutes, Policies, or Requirements

Texas Constitution, Art. XVI, § 40 – *Holding More than One Office; Exceptions*

Texas Government Code, Chapter 574 – *Dual Office Holding*

Texas Government Code § 572.051 – *Standards of Conduct; State Agency Ethics Policy*

System Administrative Memoranda (SAM)

02.A.08 – *Consulting and Outside Employment (Paid Professional Service)*

02.A.09 – *Conflict of Interest*

02.A.29 – *Ethical Conduct of Employees*

57.06 Leaves of Absence

The Board delegates to the Chancellor or his/her designee the authority to grant extended leaves of absence to employees of the System. Leaves may be granted for such purposes as research and writing, education, other personal development, or extended illness, according to System guidelines. Leaves will be limited in duration to twelve months. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Education Code §§ 51.101- 51.108 – *Faculty Development Leaves of Absence*
Texas Education Code § 51.948 – *Restrictions on Contracts with Administrators*
Texas Education Code § 51.961 – *Leave Provisions for Employees of University System or Component Institution of System*
Texas Government Code § 661.902 – *Emergency Leave*
Texas Government Code § 661.909 – *Leave Without Pay; Leave of Absence*

System Administrative Memoranda (SAM)

02.D.01 – *Vacation and Sick Leave*
02.D.04 – *Leaves of Absence for Staff Employees*
06.A.09 – *Academic Personnel Policies*

57.07 Nepotism

Relatives of members of the Board shall not be employed by the System unless the employment took place at least one year prior to the appointment of the Board member. Relatives of other System employees shall not be employed by the System in positions where the employee has the official authority to hire or recommend or approve the hiring, salary, or promotions of the relative.

Relatives shall not be employed in the supervisory-subordinate relationship even if it results from marriage after the employment relationship was formed. The provisions of this policy apply to all System programs regardless of funding source.

For the purposes of this policy, the term “relative” is defined as anyone related to the employee within the second degree of affinity or the third degree of consanguinity and includes the employee’s spouse and the employee’s or the spouses’ parents, grandparents, great grandparents, brothers, sisters, half brothers and sisters, children, grandchildren, great grandchildren, aunts, uncles, nieces, nephews, first cousins, second cousins, and persons married to them. (11/26/07)

Related Statutes, Policies, or Requirements

Texas Government Code § 572.051 – *Standards of Conduct; State Agency Ethics Policy*
Texas Government Code § 573.041 – *Prohibition Applicable to Public Official*

UH System Board of Regents Policy 57.08 – *Conflicts of Interest*

System Administrative Memoranda (SAM)

02.A.21 – *Nepotism*

02.A.29 – *Ethical Conduct of Employees*

57.08 Conflicts of Interest

All members of the Board and employees of the System and its component Universities shall adhere to and be furnished a copy of the Statutory Standards of Conduct for State Employees, Section 572.051, Texas Government Code, and shall avoid conflicts of interest, generally described as the use of one's University employment or position to obtain unauthorized privileges, benefits, or things of value for oneself or others, including the following:

57.08.1 No Board member or employee shall solicit, engage, or agree to accept any privilege, benefit or thing of value for the exercise of his/her discretion, influence, or powers as an employee or regent, except as is allowed by law.)

57.08.2 No Board member or employee shall accept any privilege, benefit, or thing of value that might influence him or her in the discharge of his/her duties as an employee or regent.

57.08.3 No Board member or employee shall use his/her position to secure special privileges or exemptions for himself or herself or others, except as is allowed by law.

57.08.4 No Board member or employee may be an officer, agent, employee, or member of, or own an interest in a professional activity that foreseeable might require or induce him or her to disclose confidential information acquired by reason of his/her System position.

57.08.5 No Board member or employee shall accept employment or engage in any business or professional activity that foreseeable might require or induce him or her to disclose confidential information acquired by reason of his/her System position.

57.08.6 No Board member or employee shall disclose confidential information gained by reason of his/her System position, nor shall he/she otherwise use such information for his/her personal gain or benefit.

57.08.7 No Board member or employee shall transact any business for the System with any entity of which he/she is an officer, agent, employee, or member, or in which he/she owns a significant interest.

57.08.8 No Board member or employee shall make personal investments in any enterprise that foreseeable might create a substantial conflict between his/her private interests and the System's interests.

57.08.9 No Board member or employee shall accept other employment that might impair his/her independence of judgment in the performance of his/her System duties.

57.08.10 No Board member or employee shall receive any compensation for his/her services to the System from any source other than the State of Texas except as is allowed by law.

57.08.11 No Board member or employee who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall solicit, accept, or agree to accept any benefit from a person or entity the employee knows or should know is or is likely to become financially interested in such transactions.

Failure of any employee to comply with the foregoing shall constitute grounds for discharge or other disciplinary action. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Government Code § 572.051 – *Standards of Conduct; State Agency Ethics Policy*

UH System Board of Regents Policy 57.01 – *Code of Ethics*

System Administrative Memoranda (SAM)

02.A.09 – *Conflict of Interest*

02.A.29 – *Ethical Conduct of Employees*

03.A.17 – *Disclosure of Related Party Interests*

57.09 Sick Leave Pool

The Board delegates to the Chancellor the authority and responsibility to adopt and implement a program within the System to allow employees voluntarily to transfer sick leave time earned by the employee to a sick leave pool, administered by the Chancellor or his/her designee, for the benefit of eligible employees suffering from catastrophic illnesses or injuries. The Chancellor shall not be eligible to participate in the sick leave pool. (05/17/07)

Related Statutes, Policies, or Requirements

System Administrative Memoranda (SAM)

02.D.01 – *Vacation and Sick Leave*

02.D.02 – *Sick Leave Pool*

57.10 Executive Management Employees

The authority to approve all executive management employee appointments, to the extent they are not System Executive Officers as defined in Board policy 02.02 is delegated to the Chancellor and will also be reported to the Board. The Board delegates to the Chancellor or his/her designee, the authority to make interim appointments for executive management employees. The Board further delegates to the Chancellor or his/her designee, the authority to approve all other faculty, professional, and administrative actions. Executive management employees are considered administrative employees, and conditions of service are governed by policies relating to administrative employees.

57.10.1 Executive management employees include persons serving in the following positions: Chancellor, Vice Chancellor, General Counsel, President, Vice President, Dean (Academic), Chief Audit Executive, and their equivalents (e.g., an administrative head of a recognized department reporting directly to the Chancellor or President).

57.10.2 Executive management employment agreements will contain the following elements, where applicable: Period of Service, Base Salary, Benefits, Deferred Compensation, Perquisites, Separation, Appointments of Tenured Faculty Members, and Performance Incentives.

57.10.3 For those executive management employees who also hold tenured faculty positions, the following additional provisions apply:

- A. The determination of the *administrative rate* to be paid to an executive management employee is based on the traditional criteria of scope of responsibility, marketplace, and individual qualifications, provided, however, that the rate falls within the salary range paid to individuals holding comparable positions at similar institutions. In addition to the administrative rate, an *academic rate* is also determined for a tenured faculty member who serves in an executive management position, to be used as the original basis for establishing the salary of the individual at the time he/she returns to his/her regular faculty position. This academic rate is based on an assessment of current salary rates for comparably ranked faculty in the faculty member's discipline and the relative qualifications of the faculty member within that discipline. Though the academic rate is initially set at the time of the appointment to the executive management position, it is subject to adjustment based on the length of time the individual serves in the executive management position, and will reflect an increment

not less than the average increment of the faculty members in his/her discipline and at his/her rank.

- B. If provided in the employment agreement, a tenured faculty member may be eligible for a paid leave assignment for a period of up to one year in order to prepare to return to academic duties. The duration of the paid leave assignment should be reasonably related to the length of time that the individual has served in administrative position(s) and therefore removed from normal academic responsibilities. Eligibility for the paid leave assignment is contingent upon an expressed intention to resume academic duties and is grounded in recognition of the need to support an individual during the time he/she is retooling for the purpose of returning to faculty duties. A faculty member terminated for cause from an executive management position is not eligible for a paid leave assignment. If a faculty member accepts other employment during the period of the paid leave assignment, all salary entitlement will cease.

57.10.4 This policy is effective for all appointments made to executive management positions after the time of approval of the policy, June 20, 1996. (02/16/11)

Related Statutes, Policies, or Requirements

Texas Education Code §§ 51.101- 51.108 – *Faculty Development Leaves of Absence*

Texas Education Code § 51.948 – *Restrictions on Contracts with Administrators*

Texas Education Code § 111.19 – *Personnel: Appointments, Salaries, Etc.*

Texas Education Code § 111.20 – *University of Houston System*

Texas Education Code § 111.21 – *System Central Administration Office; Chief Executive Officer*

UH System Board of Regents Bylaw 2.4

UH System Board of Regents Bylaw 2.6

UH System Board of Regents Policy 02.02

System Administrative Memoranda (SAM)

06.A.09 – *Academic Personnel Policies*

58 Financial Advisors and Service Providers

58.01 Disclosure

Financial advisors and service providers which include a person or business entity who acts as a financial advisor, financial consultant, money or investment manager or broker shall

comply with the disclosure requirements contained in Texas Government Code Section 2263.005. Financial Advisors and service providers must:

- A. make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with their respective duties to the University of Houston System; and
- B. on an annual basis, communicate the relevant information using the Texas State Auditor's Office Uniform Disclosure Form. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Government Code, Chapter 2263 – *Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers*

58.02 Standards of Conduct for Financial Advisors and Service Providers

58.02.01 Code of Ethics.

Financial advisors and service providers under contract with the University of Houston System shall:

- A. act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, and colleagues in the investment profession;
- B. use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, or engaging in other professional activities;
- C. practice, and encourage others to practice, in a professional and ethical manner that will reflect credit on themselves and the profession;
- D. maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals; and
- E. place the interest of clients, the interest of their employer, and the integrity of the investment profession above their own personal interest.

58.02.02 Standards of Professional Conduct

Financial advisors and service providers under contract with the University of Houston System:

- A. must understand and comply with all applicable laws, rules, and regulations of any government agency, regulatory organization, licensing agency, or professional association governing their professional activities;
- B. must not knowingly participate or assist in, any violation of such laws, rules, or regulations;
- C. must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities;
- D. must not offer, solicit, or accept any gift, benefit, compensation, or consideration that could be reasonably expected to compromise their own or another's independence and objectivity;
- E. must not make any statements that misrepresents facts relating to investment analysis, recommendations, actions, or other professional activities;
- F. must not engage in any professional conduct involving dishonesty, fraud, deceit, or commit any act that reflects adversely on their integrity, trustworthiness, or professional competence;
- G. must exercise due diligence, independence, and thoroughness in conducting investment analysis, making investment recommendations, and taking investment actions; and
- H. must have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation, and action.

58.02.03 The above standards of conduct are derived from the Association for Investment Management and Research code of ethics and standards of professional conduct.
(05/17/07)

Related Statutes, Policies, or Requirements

Texas Government Code, Chapter 2263 – *Ethics and Disclosure Requirements for Outside Financial Advisors and Service Providers*

CFA Institute (formerly known as the Association for Investment Management and Research) – *Code of Ethics and Standards of Professional Conduct*

69 ADMINISTRATION AND FINANCE MISCELLANEOUS

SECTION VII – ENDOWMENT MANAGEMENT

71 ENDOWMENTS

71.01 Minimum Endowment Levels

The Board encourages gifts of all sizes; however, the high cost of administering endowment accounts requires a minimum acceptable endowment threshold. The Board authorizes the Chancellor to establish minimum funding levels for endowments. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Property Code, Chapter 163 – *Uniform Management of Institutional Funds Act*

Texas Education Code § 51.0031 – *Deposits and Investments*

Texas Education Code § 51.004 – *Separate Accounts; Trust Funds; Interest*

Texas Education Code § 51.008 – *Certain Receipts to be Deposited in State Treasury*

Texas Government Code, Chapter 2256 – *Texas Public Funds Investment Act*

System Administrative Memoranda (SAM)

03.F.01 – *Gift Acceptance*

03.F.02 – *Endowment Management*

71.02 Pooled Investment Funds

To promote the effective implementation of the Board’s investment philosophy, assets of individual endowments, except where prohibited, are co-mingled with assets of other endowments in the purchase of shares, called units, of open-ended, pooled investment funds administered by the System. The Pooled Investment Fund is intended to provide a predictable source of income to meet current needs, and to provide growth through market value appreciation. At least once annually, the Vice Chancellor for administration and finance will recommend to the Board of Regents’ Administration and Finance Committee the asset allocation to be maintained by the investment managers. The asset allocation should ensure capital growth and income production in appropriate proportions to preserve the assets’ real value and the long-range purchasing power of endowment income. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Property Code, Chapter 163 – *Uniform Management of Institutional Funds Act*

Texas Education Code § 51.0031 – *Deposits and Investments*

Texas Education Code § 51.004 – *Separate Accounts; Trust Funds; Interest*
Texas Education Code § 51.008 – *Certain Receipts to be Deposited in State Treasury*
Texas Government Code, Chapter 2256 – *Texas Public Funds Investment Act*

System Administrative Memoranda (SAM)

03.F.01 – *Gift Acceptance*

03.F.02 – *Endowment Management*

03.F.03 – *Distribution of Income from Selected Endowments*

71.03 Management of Endowments

71.03.1 Investment Management

Except for alternative investments, all endowment investment portfolios are managed by the System’s external investment managers; alternative investments may be externally managed or managed internally by the Vice Chancellor for administration and finance. All investments are managed in accordance with the Endowment Fund Statement of Investment Objectives and Policies approved by the Board. The Endowment Fund Statement of Investment Objectives and Policies is on file in the Board of Regents office and on the Treasury website. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Property Code, Chapter 163 – *Uniform Management of Institutional Funds Act*

Texas Education Code § 51.0031 – *Deposits and Investments*

Texas Education Code § 51.004 – *Separate Accounts; Trust Funds; Interest*

Texas Education Code § 51.008 – *Certain Receipts to be Deposited in State Treasury*

Texas Government Code, Chapter 2256 – *Texas Public Funds Investment Act*

System Administrative Memoranda (SAM)

03.F.01 – *Gift Acceptance*

03.F.02 – *Endowment Management*

03.F.03 – *Distribution of Income from Selected Endowments*

72 INVESTMENTS

72.01 Investment Objectives

The System shall invest all endowments, local, or other available funds to optimize return on investment to the extent possible, balanced with the appropriate level of risk. All investments should comply with the goals of the System, its component universities, and all appropriate laws and restrictions.

72.01.1 Local Funds

The treasurer or an external investment manager approved by the Board shall invest all local funds in accordance with Investment Policy for Non-Endowed Funds approved by the Board. All demand deposits shall be collateralized as required by law. Longer-term funds shall be invested to ensure safety of principal, liquidity, and maximum yield with primary emphasis on safety and liquidity.

72.01.2 Bond-Related Funds

Proceeds from the issuance of bonds and revenues designated for debt repayment are invested in accordance with bond resolution investment instructions. Bond-related funds are managed by the treasurer. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Property Code, Chapter 163 – *Uniform Management of Institutional Funds Act*
Texas Education Code § 51.0031 – *Deposits and Investments*
Texas Education Code § 51.004 – *Separate Accounts; Trust Funds; Interest*
Texas Education Code § 51.008 – *Certain Receipts to be Deposited in State Treasury*
Texas Government Code, Chapter 2256 – *Texas Public Funds Investment Act*

System Administrative Memoranda (SAM)

03.F.01 – *Gift Acceptance*

03.F.02 – *Endowment Management*

03.F.03 – *Distribution of Income from Selected Endowments*

79 ENDOWMENT MANAGEMENT MISCELLANEOUS

SECTION VIII - EXTERNAL AFFAIRS

81 GOVERNMENTAL RELATIONS

81.01 Governmental Appearances

All System and component University employees appearing before Congress, the Texas Legislature, City, County, or governmental body, or their agencies, committees, or members to offer testimony, opinions, or commentary in regard to existing or potential laws, rules, or regulations, not expressly authorized to do so by the Board or the Chancellor, must clearly state in advance that they are appearing in their individual capacities and that their testimony, opinions, and commentary are not authorized by, and must not be construed as reflecting on, the position of the System. (05/17/07)

Related Statutes, Policies, or Requirements

Texas Government Code § 321.022 – *Coordination of Investigations*

Texas Government Code § 556.003 – *State Employees' Rights*

System Administrative Memoranda (SAM)

09.A.01 – *Governmental Appearances*

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