Stephen F. Austin State University

MINUTES OF THE BOARD OF REGENTS

Nacogdoches, Texas
October 28-29, 2018
Volume 318
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**BOARD OF REGENTS MEETING 318**

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Sunday, October 28, 2018

The regular meeting of the Board of Regents was called to order in open session at 8:02 a.m. on Sunday, October 28, 2018, by Chair Brigettee Henderson.

PRESENT:

Board Members:  Mrs. Brigettee Henderson, Chair
                 Mr. David Alders
                 Mrs. Nelda Blair
                 Dr. Scott Coleman
                 Mr. Alton Frailey
                 Mrs. Karen Gantt
                 Mr. Bob Garrett
                 Mr. Tom Mason
                 Mr. Ken Schaefer
                 Ms. Kate Childress, student member

President:       Dr. Baker Pattillo

Vice-Presidents: Dr. Steve Bullard
                 Dr. Danny Gallant
                 Ms. Jill Still
                 Dr. Steve Westbrook

General Counsel: Mr. Damon Derrick

Other SFA administrators, staff, and visitors

The chair called immediately for an executive session to consider the following items:

Deliberations Regarding Security Devices or Security Audits (Texas Government Code, Section 551.076)
  •  Update from chief information officer

Deliberations Regarding the Purchase, Exchange, Lease, Sale or Value of Real Property (Texas Government Code, Section 551.072)
  •  Possible real estate purchase
Deliberations Regarding Negotiated Contracts for Prospective Gifts or Donations (Texas Government Code, Section 551.073)

- Possible naming opportunities
- Acceptance of possible gifts to the university

Consideration of Individual Personnel Matters Relating to Appointment, Employment, Evaluation, Assignment, Duties, Discipline, or Dismissal of an Officer or Employee, including but not limited to the chief of police, the assistant chief of police, the head football coach, the vice presidents, and the president (Texas Government Code, Section 551.074)

Consultation with Attorney Regarding Legal Advice or Pending and/or Contemplated Litigation or Settlement Offers, including but not limited to reported complaints, EEOC charges, board governance, USOR Site PRP Group v. Railroad Commission of Texas, et al, Geralyn Franklin v. SFASU, and Pamela Clasquin v. SFASU (Texas Government Code, Section 551.071)

The executive session ended at 10:40 a.m. The Board of Regents meeting returned to open session at 10:57 a.m. and recessed to committee meetings.

The Finance and Audit Committee met from 10:57 a.m. to 12:24 p.m. The Building and Grounds Committee met from 12:58 p.m. to 6:09 p.m.

The Board of Regents meeting returned to open session and recessed for the evening at 6:10 p.m.

Monday, October 29, 2018

The continued meeting of the Board of Regents was called to order in open session at 8:04 a.m. on by Chair Brigettee Henderson.

PRESENT:

Board Members: Mrs. Brigettee Henderson, Chair
- Mr. David Alders
- Mrs. Nelda Blair
- Dr. Scott Coleman
- Mr. Alton Frailey
- Mrs. Karen Gantt
- Mr. Bob Garrett
- Mr. Tom Mason
- Mr. Ken Schaefer
- Ms. Kate Childress, student member

Vice-Presidents: Dr. Steve Bullard
- Dr. Danny Gallant
- Ms. Jill Still
- Dr. Steve Westbrook
General Counsel: Mr. Damon Derrick

Other SFA administrators, staff, and visitors

The president was unable to be present.

The Board of Regents meeting recessed to committee meetings.

The Finance and Audit Committee met from 8:05 a.m. to 9:38 a.m. The Building and Grounds convened at 9:38 a.m. and adjourned at 10:22 a.m. The Academic and Student Affairs Committee convened at 10:45 a.m. and adjourned at 12:15 p.m.

The Board of Regents meeting reconvened and recessed for lunch at 12:15 p.m. The meeting reconvened in open session at 2:00 p.m. All board members were present; the university president was unable to be present because of illness.

ROTC Cadet Alex Medina led the pledges to the flags and Regent Blair led the invocation.

RECOGNITIONS

Dr. Bullard introduced the winner of the World History Association’s Pioneers in World History Award, Dr. Linda Black. The Society of American Quiz Bowl Champions from the Temple College of Forestry and Agriculture, and their advisor Dr. Rebecca Kidd, were recognized; and then Dr. Bullard introduced Dr. David Kulhavy, who will be honored with the William T. Hornaday Gold Medal Award for lifetime achievement in conservation from the Boy Scouts of America.

APPROVAL OF MINUTES

BOARD ORDER 19-01
Upon motion by Regent Garrett, seconded by Regent Coleman, with all members voting aye, it was ordered that the minutes of the July 22, 23 and 24, 2018, regular meeting of the Board of Regents be approved as presented.
PERSONNEL

BOARD ORDER 19-02
Upon motion by Regent Alders, seconded by Regent Schaefer, with all members voting aye, it was ordered that the following personnel items be approved.

FACULTY APPOINTMENTS

COLLEGE OF BUSINESS

Thomas Branton, J.D. (University of Mississippi School of Law), Assistant Professor of Accounting, at an academic year salary of $135,000 for 100 percent time, effective September 1, 2018.

Antoine Busby, Ph.D. (University of Texas), Visiting Assistant Professor of Management and Marketing, at an academic year salary of $93,000 for 100 percent time, effective September 1, 2018.

Rebecca Davis, Ph.D. (University of Tennessee), Assistant Professor of Economics and Finance, at an academic year salary of $80,000 for 100 percent time, effective September 1, 2018.

William Kirkpatrick, Ph.D. (University of Georgia), Clinical Instructor of Management and Marketing, at an academic year salary of $110,000 for 100 percent time, effective September 1, 2018.

Wenjing Li, Ph.D. (University of Kentucky), Assistant Professor of Management and Marketing, at an academic year salary of $110,000 for 100 percent time, effective September 1, 2018.

Jose Vega, Ph.D. (University of Texas at San Antonio), Assistant Professor of Accounting, at an academic year salary of $135,000 for 100 percent time, effective September 1, 2018.

COLLEGE OF EDUCATION

Mi Hae Bae, Ph.D. (University of Maryland), Assistant Professor of Kinesiology and Health Sciences, at an academic year salary of $61,000 for 100 percent time, effective September 1, 2018.

Shannon Darst, Ph.D. (Texas Tech University), Assistant Professor of Human Services, at an academic year salary of $60,000 for 100 percent time, effective September 1, 2018.

Summer Koltonski, Ph.D. (Stephen F. Austin State University), Assistant Professor of Human Services, at an academic year salary of $58,000 for 100 percent time, effective September 1, 2018.

Mandy Seybold, M.S. (Stephen F. Austin State University), Lecturer of Human Services, at an academic year salary of $46,000 for 100 percent time, effective September 1, 2018.

Mychelle Smith, Ph.D. (Texas A&M University), Assistant Professor of Secondary Education, at an academic year salary of $57,000 for 100 percent time, effective September 1, 2018.
COLLEGE OF FINE ARTS

Rosemary Brownlow-Calkin, M.F.A. (University of California at Irvine), Visiting Professor of Theatre, at an academic year salary of $50,000 for 100 percent time, effective September 1, 2018.

Pierre-Alain Chevalier, D.M.A. (University of Houston), Visiting Lecturer and Director of Orchestral Activities, at an academic year salary of $55,000 for 100 percent time, effective September 1, 2018.

Christopher Kaatz, Assistant Professor of Music and Assistant Director of Bands, M.M. (University of Missouri at Kansas City), at an academic year salary of $50,000 for 100 percent time, effective September 1, 2018.

Nicholas Lambson, M.F.A. (San Francisco Conservatory of Music), Visiting Lecturer of Music, at an academic year salary of $40,000 for 100 percent time, effective September 1, 2018.

Margaret Leysath, Ed.D. (Lamar University), Visiting Assistant Professor of Art, at an academic year salary of $47,000 for 100 percent time, effective September 1, 2018.

Jennifer Malmberg, M.A. (Stephen F. Austin State University), Lecturer of Theatre, at an academic year salary of $46,000 for 100 percent time, effective September 1, 2018.

Jackie Rosenfield, M.F.A. (Texas Tech University), Lecturer of Theatre, at an academic year salary of $40,750 for 100 percent time, effective September 1, 2018.

COLLEGE OF FORESTRY AND AGRICULTURE

Jason Paul, Ph.D. (Texas A&M University), Instructor of Forestry, at an academic year salary of $55,000 for 100 percent time, effective September 1, 2018.

COLLEGE OF LIBERAL AND APPLIED ARTS

Phillip Anderson, Degree (University), Instructor of Mass Communications, at an academic year salary of $49,228 for 100 percent time, effective September 1, 2018.

Megan Fleming, M.A. (University of Texas), Lecturer of Government, at an academic year salary of $40,000 for 100 percent time, effective September 1, 2018.

Jennifer McLaughlin, M.A. (Stephen F. Austin State University), Visiting Lecturer of English and Creative Writing, at an academic year salary of $40,000 for 100 percent time, effective September 1, 2018.

Yiran Wang, Ph.D. (Washington State University), Assistant Professor of Mass Communications, at an academic year salary of $55,000 for 100 percent time, effective September 1, 2018.
William Bradford, M.S. (Stephen F. Austin State University), Lecturer of Mathematics and Statistics, at an academic year salary of $45,000 for 100 percent time, effective September 1, 2018.

Brooke Busbee, M.S. (Stephen F. Austin State University), Lecturer of Mathematics and Statistics, at an academic year salary of $45,000 for 100 percent time, effective September 1, 2018.

Ray Kamps, Ph.D. (Texas A&M University), Visiting Assistant Professor of Biology, at an academic year salary of $48,500 for 100 percent time, effective September 1, 2018.

Kelley McDonald, B.S.N. (Baylor University), Clinical Instructor of Nursing, at an academic year salary of $45,000 for 100 percent time, effective September 1, 2018.

Vanessa Pacheco, M.S.N. (University of Texas at El Paso), Clinical Instructor of Nursing, at an academic year salary of $54,500 for 100 percent time, effective September 1, 2018.

Marissa Rotenberry, M.S.N. (Stephen F. Austin State University), Visiting Lecturer of Mathematics and Statistics, at a four-month salary of $22,500 for 100 percent time, effective September 1, 2018.

Edward Kownslar, M.L.S. (University of North Texas) Librarian III, at an annual salary of $66,000 for 100 percent time, effective August 13, 2018.

Stephanie Weatherford, Academic Assistance Resource Center Program Director, at an annual salary of $46,800 for 100 percent time, effective August 6, 2018.

Alisa Blair, Assistant Volleyball Coach, at an annual salary of $33,000 for 100 percent time, effective July 23, 2018.

Cody Dukquits, Conditioning Professional Specialist, at an annual salary of $36,000 for 100 percent time, effective September 3, 2018.

Ryan Friedline, Athletic Marketing Coordinator, at an annual salary of $38,321 for 100 percent time, effective July 9, 2018.

Hadrien Choukroun, Assistant Track Coach, at an annual salary of $52,000 for 100 percent time, effective September 12, 2018.
Hunter Key, Assistant Track Coach, at an annual salary of $29,144 for 100 percent time, effective August 13, 2018.

Erin Scott, Tennis Head Coach, at an annual salary of $47,000 for 100 percent time, effective July 23, 2018.

**CAMPUS RECREATION**

William Boucher, Campus Recreation Coordinator For Fitness and Wellness, at an annual salary of $37,000 for 100 percent time, effective July 9, 2018.

Center for Career and Professional Development

Tierney White, Career Coordinator, at an annual salary of $35,000 for 100 percent time, effective September 1, 2018.

**CHARTER SCHOOL**

Juliana Akerson, Teacher, at a 10-month salary of $52,900 for 100 percent time, effective September 1, 2018.

Madison Taylor, Teacher, at a 10-month salary of $39,600 for 100 percent time, effective September 1, 2018.

Brooke Taylor-Johnson, Teacher, at a 10-month salary of $39,600 for 100 percent time, effective September 1, 2018.

Jacklyn Hamilton, Substitute Teacher, at a 10-month salary of $39,600 for 100 percent time, effective September 1, 2018.

**COLLEGE OF FINE ARTS**

Thomas Nixon, Accompanist, at an academic year salary of $40,000 for 100 percent time, effective September 1, 2018.

**COLLEGE OF FORESTRY AND AGRICULTURE**

Sabrina Thomas, Lab Associate in Agriculture, at an annual salary of $46,800 for 100 percent time, effective July 30, 2018.

**COLLEGE OF SCIENCES AND MATHEMATICS**

Adrienne Bay, STEM Programs Coordinator, at an annual salary of $54,000 for 100 percent time, effective August 6, 2018.
RESIDENCE LIFE

Jamyia Barrett, Hall Director, at an annual salary of $30,330 for 100 percent time, effective September 17, 2018.

Jonathan Boulanger, Hall Director, at an annual salary of $30,330 for 100 percent time, effective August 9, 2018.

Jamil Frech, Hall Director, at an annual salary of $30,330 for 100 percent time, effective September 10, 2018.

Lori Havard, Area Coordinator, at an annual salary of $37,000 for 100 percent time, effective September 3, 2018.

Natalie Roberts, Hall Director, at an annual salary of $30,330 for 100 percent time, effective July 9, 2018.

STUDENT AFFAIRS

Jalon Berry, Assistant Director of Student Affairs Programs for Multicultural Affairs, at an annual salary of $43,000 for 100 percent time, effective October 1, 2018.

April Chaney, Compliance Specialist for Title IX Investigations, at an annual salary of $50,000 for 100 percent time, effective September 17, 2018.

MacKenzie Enderwitz, Counselor Intern, at an annual salary of $41,000 for 100 percent time, effective September 17, 2018.

Clare Fite, Counselor Intern, at an annual salary of $41,000 for 100 percent time, effective September 12, 2018.

Julia Denhollem, Student Engagement Coordinator for Greek Life, at an annual salary of $37,000 for 100 percent time, effective August 20, 2018.

Rhylie Gachot, Assistant Director of Student Affairs for Orientation, at an annual salary of $40,000 for 100 percent time, effective August 20, 2018.

CHANGES OF STATUS

ACADEMIC AFFAIRS

Mary Smith, from Assistant Director of Instructional Technology, at an annual salary of $74,910 for 100 percent time, to Interim Director of Instructional Technology, at an annual salary of $74,910 for 100 percent time with an additional stipend of $750 per month for 12 months for interim duties, effective September 1, 2018.
ALUMNI RELATIONS

Samantha Mora, from Director of Events and Engagement, at an annual salary of $44,655 for 100 percent time, to Director of Events and Engagements with a change in job assignment at an annual salary of $49,500 for 100 percent time, effective September 1, 2018.

ATHLETICS

Jeffrey Byrd, from Assistant Head Football Coach at an annual salary of $95,000 for 100 percent time, to Interim Head Football Coach at an annual salary of $95,000 for 100 percent time, with an additional stipend of $8,000 per month for three months for interim duties, effective September 1, 2018.

Michael Courtney, from Assistant Track Coach at an annual salary of $32,518 for 100 percent time, to Assistant Track Coach with a change in job assignment at an annual salary of $52,450 for 100 percent time, effective September 1, 2018.

Jeremy Cox, from Assistant Head Basketball Coach at an annual salary of $102,249 for 100 percent time, to Assistant Head Basketball Coach with a change in job assignment at an annual salary of $120,000 for 100 percent time, effective September 1, 2018.

COLLEGE OF BUSINESS

Nicole Brantley, from Visiting Lecturer at an academic year salary of $50,000 for 100 percent time, to Lecturer of Accounting at an academic year salary of $50,000 for 100 percent time, effective September 1, 2018.

Laurie Rogers, from Visiting Lecturer of Business Communication and Legal Studies at an academic year salary of $40,000 for 100 percent time, to Lecturer of Business Communication and Legal Studies at an academic year salary of $47,000 for 100 percent time, effective September 1, 2018.

COLLEGE OF EDUCATION

Brandon Fox, from Associate Professor of Elementary Education at an academic year salary of $64,958 for 100 percent time, to Associate Professor and Interim Assistant Chair of Elementary Education at an academic year salary of $64,958 for 100 percent time with an additional stipend of $3,332 per month for two months for interim duties, effective July 1, 2018.

Gloria Gresham, from Professor of Secondary Education and Educational Leadership at an annual salary of $98,159 for 100 percent time, to Professor and Interim Assistant Chair of Secondary Education and Educational Leadership, at an annual salary of $98,159 for 100 percent time with an additional stipend of $1,820 per month for two months for interim duties, effective July 23, 2018.
Gloria Gresham, from Professor of Secondary Education and Educational Leadership at an annual salary of $102,085 for 100 percent time, to Professor and Interim Assistant Chair of Secondary Education and Educational Leadership, at an annual salary of $102,085 for 100 percent time with an additional stipend of $1,493 for 12 months for interim duties, effective September 1, 2018.

Cyndra Krogen-Morton, from Specialist in Title IX at an annual salary of $50,000 for 100 percent time, to Visiting Lecturer of Kinesiology and Health Science at an academic year salary of $51,000 for 100 percent time, effective September 1, 2018.

Matthew McBroom, from Associate Dean of Forestry at an annual salary of $119,102 for 100 percent time, to Associate Dean of Forestry and Interim Chair of English and Creative Writing at an annual salary of $119,201 for 100 percent time with an additional stipend of $1,000 for one month for interim duties, effective August 1, 2018.

Matthew McBroom, from Associate Dean of Forestry at an annual salary of $119,102 for 100 percent time, to Associate Dean of Forestry and Interim Chair of English and Creative Writing at an annual salary of $119,201 for 100 percent time with an additional stipend of $1,000 for 12 months for interim duties, effective September 1, 2018.

Sharon Rice, from Visiting Faculty in Kinesiology and Health Science at an academic year salary of $50,000 for 100 percent time, to Instructor of Kinesiology and Health Science at an academic year salary of $55,000 for 100 percent time, effective September 1, 2018.

Amber Wagnon, from Lecturer of English and Creative Writing at an academic year salary of $40,000 for 100 percent time, to Associate Professor of Secondary Education and Educational Leadership at an academic year salary of $57,000 for 100 percent time, effective September 1, 2018.

COLLEGE OF FINE ARTS

Alexander Amato, from Lecturer of Music at an academic year salary of $40,473 for 100 percent time, to Assistant Professor of Music at an academic year salary of $50,000 for 100 percent time, effective September 1, 2018.

Tamey Angley, from Assistant Professor of Music at an academic year salary of $51,419 for 100 percent time, to Professor of Music at an academic year salary of $63,000 for 100 percent time, effective September 1, 2018.

David Campo, from Associate Professor of Music at an academic year salary of $68,329 for 100 percent time, to Professor of Music and Director of Bands at an academic year salary of $80,000 for 100 percent time, effective September 1, 2018.

Lee Goodhew, from Visiting Assistant Professor of Music at an academic year salary of $54,000 for 100 percent time, to Associate Professor of Music at an academic year salary of $58,000 for 100 percent time, effective September 1, 2018.
Kirsten Nelson, from Assistant Professor of Music at an academic year salary of $50,947 for 100 percent time, to Lecturer of Music at an academic year salary of $52,221 for 100 percent time, effective September 1, 2018.

Kenneth Verdugo, from Visiting Assistant Professor of Theatre at an academic year salary of $50,000 for 100 percent time, to Assistant Professor of Theatre at an academic year salary of $51,735 for 100 percent time, effective September 1, 2018.

Eric Walker, from Technical Director of Theatre at an annual salary of $51,000 for 100 percent time, to Technical Director of Theatre with recategorization to an exempt position at an annual salary of $52,530 for 100 percent time, effective September 1, 2018.

COLLEGE OF FORESTRY AND AGRICULTURE

Sheryl Jerez, from Associate Professor of Forestry at an academic year salary of $68,297 for 100 percent time, to Associate Professor and Interim Associate Dean at an academic year salary of $68,297 with an additional stipend of $1,000 per month for one month for interim duties, effective August 1, 2018.

Sheryl Jerez, from Associate Professor of Forestry at an academic year salary of $70,988 for 100 percent time, to Associate Professor and Interim Associate Dean at an academic year salary of $70,988 with an additional stipend of $1,000 per month for nine months for interim duties, effective September 1, 2018.

COLLEGE OF LIBERAL AND APPLIED ARTS

Mark Barringer, from Professor and Chair of History at an annual salary of $116,447 for 100 percent time, to Professor of History at an academic year salary of $73,000 for 50 percent time and Director of Research at an annual salary of $25,000 for 25 percent time, effective September 1, 2018.

Leslie Cecil, from Associate Professor and Chair of Anthropology, Geography and Sociology, at an 11-month salary of $96,240 for 100 percent time, to Associate Professor of Anthropology, Geography and Sociology at an academic year salary of $72,000 for 100 percent time, effective September 1, 2018.

Dana Cooper, from Professor of History and SFA 101 Coordinator at an academic year salary of $78,025 for 100 percent time, to Professor of History at an academic year salary of $63,370 for 100 percent time, effective August 18, 2018.

Aparecida Cordeiro Dutra, from Research Associate in the Heritage Research Center at an annual salary of $42,815 for 100 percent time, to Lecturer of Languages, Culture and Communication at an academic year salary of $40,000 for 100 percent time, effective September 1, 2018.
Rhanda McGee, from Adjunct Faculty in English and Creative Writing at a five-month salary of $11,000 for 100 percent time, to Lecturer of English and Creative Writing at an academic year salary of $40,000 for 100 percent time, effective September 1, 2018.

Kelsey Pelham, from Visiting Lecturer in Languages, Culture and Communication at an academic year salary of $40,000 for 100 percent time, to Lecturer of Languages, Culture and Communication at an academic year salary of $40,000 for 100 percent time, effective September 1, 2018.

Mark Sanders, from Professor and Chair of English and Creative Writing at an annual salary of $119,489 for 100 percent time, to Professor and Associate Dean of Liberal and Applied Arts at an annual salary of $122,000 for 100 percent time, effective August 1, 2018.

Kristi Warren, from Adjunct Faculty in Psychology at a five-month salary of $11,600 for 100 percent time, to Lecturer of Psychology at an academic year salary of $40,000 for 100 percent time, effective September 1, 2018.

Charles White, from Visiting Instructor of Psychology at an academic year salary of $47,000 for 100 percent time, to Lecturer of Psychology at an academic year salary of $40,000 for 100 percent time, effective September 1, 2018.

COLLEGE OF SCIENCES AND MATHEMATICS

Erin Childress, Lab Coordinator in Biology at an 11-month salary of $40,022 for 100 percent time, to Lecturer of Biology at an academic year salary of $43,000 for 100 percent time, effective September 1, 2018.

Puntitra Glendowne, from Visiting Assistant Professor of Computer Science at an academic year salary of $74,000 for 100 percent time, to Assistant Professor of Computer Science at an academic year salary of $84,000 for 100 percent time, effective September 1, 2018.

Michele Harris, from Professor of Chemistry at an academic year salary of $84,813 for 100 percent time, to Professor at an academic year salary of $44,119 for 40 percent time and Associate Dean at an 11-month salary of $63,727 for 60 percent time, effective September 1, 2018.

Cheryl Janusa, from Program Director of the Academic Assistance Resource Center at an annual salary of $46,800 for 100 percent time, to Lecturer of Mathematics and Statistics at an academic year salary of $45,000 for 100 percent time, effective September 1, 2018.

CONTROLLER’S OFFICE

Kallie Westmoreland, from Accounting Clerk III in STEM Center at an annual salary of $36,500 for 100 percent time, to Accountant II at an annual salary of $49,500 for 100 percent time, effective July 1, 2018.
HEALTH SERVICES

Janice Ledet, from Physician at an academic year salary of $96,697 for 100 percent time, to Director of Health Services at an annual salary of $150,000 for 100 percent time, effective September 1, 2018.

INFORMATION TECHNOLOGY SERVICES

Michael Carmical, from Programmer/Analyst I at an annual salary of $38,892 for 100 percent time, to Programmer/Analyst I with reclassification to an exempt position at a salary of $40,448 for 100 percent time, effective September 1, 2018.

Julian Fenison, from Programmer/Analyst I at an annual salary of $38,892 for 100 percent time, to Programmer/Analyst I with reclassification to an exempt position at a salary of $40,059 for 100 percent time, effective September 1, 2018.

Charles Fox, from Programmer/Analyst I at an annual salary of $38,150 for 100 percent time, to Programmer/Analyst I with reclassification to an exempt position at a salary of $40,058 for 100 percent time, effective September 1, 2018.

Sheldon Harrison, from Network Support Specialist II at an annual salary of $51,687 for 100 percent time, to Network Support Specialist II with a change in job assignment at an annual salary of $53,625 for 100 percent time, effective September 1, 2018.

David Justus, from Associate Director of Library Technology at an annual salary of $87,651 for 100 percent time, to Compliance Coordinator at an annual salary of $88,286 for 100 percent time, effective September 1, 2018.

Jon Laurent, from Technical Support Specialist I at an annual salary of $37,691 for 100 percent time, to Security Specialist I at an annual salary of $50,000 for 100 percent time, effective August 21, 2018.

Timothy Lewallen, Assistant Manager of Technical Support at an annual salary of $52,257 for 100 percent time, to Assistant Director of Customer Service at an annual salary of $72,000 for 100 percent time, effective August 13, 2018.

Kreg Mosier, Manager of Web Services at an annual salary of $60,250 for 100 percent time, to Manager of Web Services with a change in job assignment at an annual salary of $63,660 for 100 percent time, effective September 1, 2018.

Karrie Roberson, Database Administrator at an annual salary of $53,000 for 100 percent time, to Database Administrator with a change in job assignment at an annual salary of $55,120 for 100 percent time, effective September 1, 2018.
Jared Roten, from Director of Public Safety Technology at an annual salary of $70,168 for 100 percent time, to Coordinator of Training at an annual salary of $55,320 for 100 percent time, effective September 1, 2018.

Jennifer Stringfield, from Assessment Specialist at an annual salary of $42,339 for 100 percent time, to Project Analyst at an annual salary of $58,000 for 100 percent time, effective August 16, 2018.

RESIDENCE LIFE

LaShirine Howard, from Casual Employee at a 24-month salary of $30,324 for 100 percent time, to Hall Director at an annual salary of $30,330 for 100 percent time, effective August 16, 2018.

UNIVERSITY POLICE DEPARTMENT

Marcus Madden, from Lieutenant at an annual salary of $58,837 for 100 percent time, to Interim Associate Director/Assistant Chief at an annual salary of $58,837 with an additional stipend of $1,000 per month for two months for interim duties, effective July 17, 2018.

RETIREMENTS

The following retirements were accepted:

Shelly Lackey, Director of Divisional Operations for University Affairs, effective August 31, 2018, with 35 years of service.

Sean Lonergan, Assistant Track Coach, effective August 31, 2018, with 10 years of service.

Phil Stetz, Professor of Management and Marketing, effective August 13, 2018, with 16 years of service.

Larry O’Neal, Associate Professor of Management and Marketing, effective August 31, 2018, with 30 years of service.

Treba Marsh, Professor of Accounting, effective August 31, 2018, with 22 years of service.
ACADEMIC AND STUDENT AFFAIRS

BOARD ORDER 09-02
Upon motion by Regent Alders, seconded by Regent Blair, with all members voting aye, it was ordered that the following academic and student affairs item be approved.

CURRICULUM CHANGES FOR FALL 2018

WHEREAS, the board members considered the following: The following new Music Performance courses were inadvertently omitted from the curriculum appendix approved by the Board of Regents at the April 2018 Board of Regents meeting. They have already been approved by all appropriate levels through the level of the provost. They are designed to replace MUS 370, Diction for Singers, which is a four semester-hour sequence in Italian, English, French, and German diction (one semester hour per language). The School of Music prefers to have separate course numbers for each language because this creates a clearer and more compelling record of course content on students’ transcripts.

MUP 371L Italian Diction
MUP 372L English Diction
MUP 373L French Diction
MUP 374L German Diction

The following new English and Interdisciplinary Studies courses were inadvertently omitted from the agenda of the October 2017 Board of Regents meeting. They have already been approved by all appropriate levels through the level of the provost. They are necessary to run the new Master of Arts in Publishing degree, which was approved by the Board of Regents at the October 2017 meeting.

ENG 571 History of Journal and Book Publishing
ENG 572 Digital Publishing
ENG 579 Academic and Scholarly Publishing
ENG 584 Development and Design of Publications
ENG 586 Manuscript Acquisition
IDS 570 Professional Internship

THEREFORE, it was ordered that the above listed undergraduate and graduate curriculum changes be made to be effective immediately.

BOARD ORDER 09-03
Upon motion by Regent Alders, seconded by Regent Blair, with all members voting aye, it was ordered that the following academic and student affairs item be approved.

CURRICULUM CHANGES FOR FALL 2019

WHEREAS, the board members considered the following: Changes in curriculum originate in the departments based on changing demands of the discipline and student need. Per SFA policy 5.7,
Curriculum Review, Modifications, and Approvals, curriculum changes are reviewed by the appropriate department curriculum committee and department chair, the appropriate college curriculum committee(s) and appropriate dean, the university undergraduate or graduate curriculum committee, the Deans Council, and the provost and vice president for academic affairs. After approval by the Board of Regents, curriculum changes are submitted to the Texas Higher Education Coordinating Board and the Southern Association of Colleges and Schools Commission on Colleges as appropriate.

In accordance with policy, the following new courses/programs are proposed for board approval:

Graduate Certificate in Teaching Psychology (18 hours)

PSY 530, Advanced Human Sexuality (created for the Graduate Certificate in Psychology)

THEREFORE, it was ordered that the above listed graduate curriculum changes be made to be effective in fall 2019.

BOARD ORDER 09-04
Upon motion by Regent Alders, seconded by Regent Schaefer, with all members voting aye, it was ordered that the following academic and student affairs items be approved.

CONSIDERATION OF REVISIONS TO BOARD RULES AND REGULATIONS

WHEREAS, the board members considered the following: The Rules and Regulations of the Board of Regents provide guidelines for the performance of duties which are delegated to the board by the Texas Legislature. Regular updates are necessary to reflect needed changes. Proposed changes were emailed to members of the board at least fifteen days before this October 29, 2018 meeting, as required for their consideration. The general counsel has reviewed the proposed updates shown in Appendix 1.

Section 6 has been updated to provide that the board chair will apprise all members of the board of their duties and responsibilities, including statutory obligations. Section 10 has been revised to conform with state law and university policy. Section 13 has been revised to permit all attorneys within the Office of the General Counsel to review and forward contracts for signature. Section 14 has been revised to align with the language in the audit charter. Sections 25 and 27 have been deleted because the board has approved a university policy stating the same. Section 26 has been added to mandate an annual evaluation of the board consistent with Southern Association of Colleges and Schools Commission on Colleges guidelines.

THEREFORE, it was ordered that the revisions to the Rules and Regulations of the Board of Regents as presented in Appendix 1 be adopted.
ACADEMIC AND STUDENT AFFAIRS POLICY REVISIONS

The Board of Regents adopted the following policy revisions as presented in Appendix 8:

Acceptable Use of Information Technology Resources 16.32 (New)
Appearances Before the Board of Regents 1.1 (To be deleted)
Assessment of Institutional Effectiveness 2.3
Authority for Official Statements 1.2 (To be deleted)
Authorization for the University President to Suspend Faculty and Staff 11.3
Cloud and Third Party Services 14.12 (To be deleted)
Computer and Network Security 14.2 (To be deleted)
Computer System Access 14.3 (To be deleted)
Computing Software Copyright 9.1 (To be deleted)
Dual Employment 11.7 (To be deleted)
Financial Aid Code of Conduct 4.7
Food Services 10.2 (To be deleted)
Information Security for Portable Devices 14.6 (To be deleted)
Kennedy Auditorium 16.14
Notary Public 2.8
Organized Work Stoppage 11.18
Outside Employment 11.19
Reduction in Force of Non-Academic Employees 11.23
Selection of Vice Presidents, Athletic Director and Head Coaches 1.8
Terminal Degrees 7.30
Ticket Office Services 16.29
U.S.A. Patriot Act 11.31 (To be deleted)
Use of Electronic Information Resources 16.32 (To be deleted)
Workplace Accommodations for Lactation and Breastfeeding 11.33

BUILDING AND GROUNDS

BOARD ORDER 09-05
Upon motion by Regent Garrett, seconded by Regent Blair, with all members voting aye, it was ordered that the following building and grounds affairs items be approved.

PURCHASE OF PROPERTY AT 1521 BAKER STREET (Executive Session Item)

WHEREAS, the board members considered the following: In the past, the university has purchased Nacogdoches city property that is adjacent to or near university-owned property. An opportunity exists to purchase property located at 1521 Baker Street. Property located in this section of campus has been utilized to expand student parking. An appraisal was conducted, and the property was valued at $98,900.

THEREFORE, the Board of Regents approved the property purchase at 1521 Baker Street at a purchase price of $98,900 and the payment of all closing costs.
NAMING OF THE LOU ANN RICHARDSON CLASSROOM ON THE FIRST FLOOR, MCGEE BUSINESS BUILDING (Executive Session Item)

WHEREAS, the board members considered the following: In accordance with Board Rules and Regulations and university policy 1.5, Naming Guidelines, buildings and other facilities may be named for persons, both living and deceased, who make a significant donation to the university. The board will consider the appropriate naming of a collaborative classroom located on the first floor of the McGee Business Building, which houses the Nelson Rusche College of Business.

THEREFORE, it was ordered that the collaborative classroom (Room 167) located on the first floor of the McGee Business Building be named as the Lou Ann Richardson Classroom. The following resolution was adopted:

WHEREAS, Lou Ann Richardson attended Stephen F. Austin State University and was a member of the Ladyjack Tennis Team in 1979; played Intramural Sports 1979 through 1983; was a member and officer of Gamma Sigma Sigma; Resident Assistant (Gibbs Hall and Steen Hall) 1981 through 1983; and was the Ladyjack Mascot during basketball season 1982 through 1983; and

WHEREAS, she received a bachelor of business administration degree from SFA in 1983; and

WHEREAS, since graduating from SFA, she has served as a member of the Executive Advisory Board of the Rusche College of Business since 2012, currently serves as chair of that board; and in 2014 was honored by the Alumni Association as a Distinguished Alumna; and

WHEREAS, she has worked in financial services for more than 34 years; and in 1995 joined Wells Fargo where she is executive vice president and head of Relationship Foundations and Programs within the Wholesale COO group, based in Dallas; and

WHEREAS, she serves her community on the Board of Communities in Schools of the Dallas region; received the 2013 GFI Global Citizen Award; was a recipient of the International Group Management and Excellence and Diversity Champion Awards; chaired the IG Diversity Council from 2007 to 2009; and was a past chair of the GFI Community Support Campaign; and

WHEREAS, Lou Ann Richardson has faithfully served and continues to serve Stephen F. Austin State University with distinction and honor as a dedicated alum; and

WHEREAS, in her loyal dedication to SFA and her generous spirit of service and standards of excellence, she is setting a distinguished example for others;

NOW, THEREFORE, LET IT BE RESOLVED, the Board of Regents expresses its admiration, gratitude and high regard for Lou Ann Richardson by naming Room 167 situated on the first floor of the McGee Business Building the Lou Ann Richardson Classroom.
**Board Order 09-06**

Upon motion by Regent Garrett, seconded by Regent Frailey, with all members voting aye, it was ordered that the following building and grounds affairs item be approved.

**Naming of the Lieutenant Kile G. West Memorial Obstacle Course**

(Executive Session Item):

WHEREAS, the board members considered the following: In accordance with Board Rules and Regulations and the university policy on Naming Guidelines, buildings and other facilities may be named for persons, both living and deceased, and the board may create any alternate naming opportunity within its discretion. The board will consider the appropriate naming of the obstacle course located adjacent to the Student Recreation Center on the campus of Stephen F. Austin State University.

THEREFORE, it was ordered that the obstacle course located adjacent to the Student Recreation Center on the campus of Stephen F. Austin State University be named the Lieutenant Kile G. West Memorial Obstacle Course. The following resolution was adopted:

WHEREAS, Lieutenant Kile G. West graduated from Stephen F. Austin State University on December 17, 2005 and was commissioned as a 2nd Lieutenant in the United States Army; and

WHEREAS, upon commissioning Lieutenant West attended Field Artillery Officers Basic Course and was assigned to the 1st Calvary Division at Fort Hood, Texas; and

WHEREAS, in an absolute display of Loyalty, Duty, Selfless Service and Personal Courage, Lieutenant West and four of his men were killed in action on May 28th, 2007 in Abu Sayda, Iraq while enroute to rescue the crew of a U.S. aircraft that had been downed; and

WHEREAS, Lieutenant West was the first officer commissioned at Stephen F. Austin State University to be killed in action; and

WHEREAS, Lieutenant West was posthumously awarded the Bronze Star with Valor and the Purple Heart; and

WHEREAS, Lieutenant West absolutely embodied the Lumberjack Battalion motto “Be the Best,”

NOW, THEREFORE, LET IT BE RESOLVED, the Board of Regents expresses its admiration, gratitude and high regard for Lieutenant Kile G. West by naming the obstacle course located adjacent to the Student Recreation Center on the campus of Stephen F. Austin State University the **Lieutenant Kile G. West Memorial Obstacle Course**.
BOARD ORDER 09-07
Upon motion by Regent Garrett, seconded by Regent Frailey, with all members voting aye, it was ordered that the following building and grounds affairs items be approved.

SELECTION OF ARCHITECT FOR A FINE ARTS EXPANSION INITIATIVE, WELCOME CENTER AND STUDENT SUPPORT SERVICES ONE STOP SHOP, AND RESIDENCE HALL AND DINING HALL CONSTRUCTION AND RENOVATIONS

WHEREAS, the board members considered the following: To select a design firm for the fine arts expansion, welcome center and student support services one stop shop, and residence hall and dining hall, the university issued an architectural request for qualifications (RFQ). Architectural firms’ responses were evaluated, ranked, and three finalists were selected from the respondents: Kirksey Architecture, EYP, Inc., and Gensler.

To prepare the design and programming for the fine arts expansion, welcome center and one stop shop, the construction of a new student residence hall and a new dining hall, and renovations to residence hall and dining facilities, the administration recommends the selection of an architectural firm from the finalists presented. The Building and Grounds Committee interviewed all three finalists and recommends that the Board of Regents select Kirksey Architecture as the firm most qualified to serve SFA as the architecture firm for these projects.

THEREFORE, it was ordered that Kirksey Architecture be selected as the architectural firm for these projects. The president was authorized to sign all associated contracts and all purchase orders that total $100,000 and greater. Should negotiations with the selected firm fail to produce an agreement, the administration was further authorized to negotiate with another finalist.

SELECTION OF ARCHITECT FOR A BASKETBALL PRACTICE FACILITY

WHEREAS, the board members considered the following: At the October 23, 2017 meeting, the regents authorized the university to issue an architectural request for qualifications (RFQ) to assess the university’s athletic facilities’ needs. From a group of architectural finalists, the regents selected Gensler Architects at the January 30, 2018 meeting to develop an assessment of university athletics facilities. The report that followed indicated a need in the basketball program for additional practice space for men’s and women’s basketball.

To select a design firm for a basketball practice facility, the university issued an architectural request for qualifications (RFQ) in August 2018. Architectural firms’ responses were evaluated, ranked, and three finalists were selected from the respondents: Populous, Inc., HKS, Inc., and Gensler.

To design the basketball practice facility and related renovations, the administration recommends the selection of an architectural firm from the finalists presented. The Building and Grounds Committee recommends that the Board of Regents select Populous, Inc. as the architectural firm most qualified to serve SFA as the architectural firm for this project.

THEREFORE, it was ordered that Populous, Inc. be selected as the architectural firm for the basketball practice facility and related renovations. The president was authorized to sign all
associated contracts and all purchase orders that total $100,000 and greater. Should negotiations with the selected firm fail to produce an agreement, the administration was further authorized to negotiate with another finalist.

SELECTION OF A CONSTRUCTION MANAGER-AT-RISK FOR A FINE ARTS EXPANSION INITIATIVE, WELCOME CENTER AND STUDENT SUPPORT SERVICES ONE STOP SHOP, BASKETBALL PRACTICE FACILITY AND RESIDENCE HALL AND DINING HALL CONSTRUCTION AND RENOVATIONS

WHEREAS, the board members considered the following: To select a construction manager-at-risk (CMR) for the fine arts expansion, welcome center and student support services one stop shop, basketball practice facility, and the construction of a new student residence hall, a new dining hall, and renovations to residence hall and dining facilities, the university issued an architectural request for proposals (RFP). Construction firms’ responses were evaluated, ranked, and three finalists are presented to the Board of Regents for CMR consideration to engage the aforementioned projects: SpawGlass Construction Corp., Kingham Dalton Wilson, Ltd., and Webber Commercial Construction, LLC.

To construct the fine arts expansion, welcome center and student support services one stop shop, basketball practice facility and the construction of a new student residence hall, a new dining hall, and renovations to residence hall and dining facilities, the administration recommends the selection of a CMR from the finalists presented. The Building and Grounds Committee recommends that the Board of Regents select Kingham Dalton Wilson, Ltd. as the firm most qualified to serve as the construction manager-at-risk for these projects.

THEREFORE, it was ordered that Kingham Dalton Wilson, Ltd. be selected to serve as construction manager-at-risk for the construction of the fine arts expansion, welcome center and student support services one stop shop, basketball practice facility and the construction of a new student residence hall, a new dining hall, and renovations to residence hall and dining facilities. The president was authorized to sign all associated contracts and all purchase orders that total $100,000 and greater.

APPROVAL TO ISSUE A REQUEST FOR QUALIFICATIONS (RFQ) FOR CONSTRUCTION PROGRAM MANAGEMENT

WHEREAS, the board members considered the following: The university has been given authority to issue revenue financing bonds to construct a fine arts expansion initiative, a welcome center and student support services one stop shop, a basketball practice facility, the construction of a new student residence hall, a new dining hall, and renovations to residence hall and dining facilities. Project fund deposits for the initiatives are estimated to total slightly over $115 million, with the aggregate principal amount of the bonds issued not to exceed $125 million. To help guide and manage the projects that could be engaged simultaneously, the administration would like to issue a Request for Qualifications (RFQ) for construction program management.

THEREFORE, the Board of Regents approved the issuance of an RFQ for construction program management. Respondents will be evaluated, ranked, and finalists will be presented to the regents at a later meeting.
LEASE OF CLASSROOM AND OFFICE SPACE AT LONE STAR COLLEGE-UNIVERSITY CENTER AT THE WOODLANDS

WHEREAS, the board members considered the following: The original Lone Star College lease agreement term was for one (1) year commencing on March 1, 2016 and expiring on February 28, 2017. A new lease agreement was executed for six (6) months commencing on March 1, 2017 and expiring on August 31, 2017. A subsequent amendment and one-month extension was executed to extend the term through September 27, 2018. The amendment to the agreement provided additional office space due to increased course offerings.

On September 28, 2018, a second amendment was signed that extended the lease term through September 27, 2019. The administration wishes to ratify the second amendment that extended the lease term through September 27, 2019 in the amount of $50,708. Prior to the second amendment the total cost of the lease was $96,396.

THEREFORE, the Board of Regents ratified the second amendment to the Lone Star College classroom and office space lease agreement through September 27, 2019 in the amount of $50,708. The Board of Regents approved any future amendments to the existing lease agreement through Fiscal Year 2022, up to a maximum cumulative amount of $350,000, and the president was authorized to sign purchase orders and any associated contract documents.

APPROVAL OF BUILDING AND GROUNDS POLICY REVISIONS

The Board of Regents adopted the following policy revisions as presented in Appendix 8:

Campus Facilities for Political Purposes 16.8
Naming Guidelines 1.5
Vending 16.35

FINANCIAL AFFAIRS

BOARD ORDER 19-08
Upon motion by Regent Frailey, seconded by Regent Garrett, with all members voting aye, it was ordered that the following financial affairs items be approved.

RICHARDS CARLBERG CONTRACT BUDGET UPDATE (EXECUTIVE SESSION ITEM)

WHEREAS, the board members considered the following: The university has received a gift commitment designated to the university’s marketing campaign. In order to use this gift as part of the campaign, the budget for the 2018-2019 fiscal year would need to be increased.

THEREFORE, the Board of Regents ordered that the marketing campaign budget for 2018-19 be amended to a cost not to exceed $940,792.
ACKNOWLEDGE RECEIPT OF AUDIT SERVICES REPORT

The Board of Regents acknowledged receipt of the audit services report as presented included the following:

- Physical Plant Departmental Audit
- Early Childhood Lab Departmental Audit
- Charter School Departmental Audit
- Equine Center Departmental Audit
- Update on Audit Plan

APPROVAL OF ANNUAL AUDIT REPORT

The annual audit report was approved as presented.

APPROVAL OF AUDIT CHARTER

The audit charter was approved as presented in Appendix 2.

APPROVAL OF UNIVERSITY SERVICES FEE INCREASE

WHEREAS, the board members considered the following: The campus master plan presents the need to upgrade campus facilities and infrastructure. Many of those initiatives have been addressed and others are planned. Based on the campus master plan and a recent assessment by Gensler Architects, the university proposes to address facility needs in athletics. A proposed facility construction and associated renovation will provide space support for men’s and women’s basketball. To fund the construction, a bond issuance is proposed to fund the construction debt service. The administration proposes a $10 increase in the university services fee for debt service and operations support.

THEREFORE, it was ordered that the university services fee be increased by $10, to be set at $83 per semester credit hour, effective fall 2019.

FISCAL YEARS 2020 AND 2021 RESIDENCE HALL RATES

WHEREAS, the board members considered the following: The university’s campus master plan includes the development of a new first-year student residence hall and the renovation of existing residential facilities to enhance student life and increase the attractiveness of these facilities for prospective students. In addition, the replacement of the current East College Cafeteria with a new dining hall and renovations to other existing dining facilities will more efficiently provide the flexibility needed to meet the demand for contemporary food service options.

The administration proposes to issue revenue financing bonds to construct a new residence hall and dining hall, and provide renovations to existing residence life and dining facilities. To fund the debt service on the proposed bond issue, it is necessary to increase residence hall room rates beginning in Fiscal Year 2020.
The proposed room rates are presented in Appendix 3 and reflect a 6.5% increase for both FY 20 and FY21. FY20 rates will become effective fall 2019 and FY21 rates will become effective fall 2020.

THEREFORE, it was ordered that the room rates be approved as presented in Appendix 3.

APPROVAL OF THE RESOLUTION AUTHORIZING SOLICITATION OF PROPOSALS FOR SHORT-TERM CONSTRUCTION PROJECT FINANCING

WHEREAS, the board members considered the following: The university has proposed construction projects that include a fine arts expansion, welcome center and one stop shop, basketball practice facility, and the construction of a new student residence hall, a new dining hall, and renovations to residence hall and dining facilities. In addition, the administration has requested approval to utilize cash reserves to fund pre-bond issuance construction project-related expenditures.

To provide cash management flexibility, the administration would like to have an option to obtain short-term financing for pre-bond issuance construction-related expenditures. To pursue that option, the administration would like to issue a request for proposals (RFP) for short-term construction financing. If this option were selected, the financing institution, terms and pricing would be brought back to the Board of Regents at a later meeting for approval.

THEREFORE, it was ordered that the resolution in Appendix 5 authorizing the university to solicit proposals for short-term construction financing be approved.

ROAD BUS PURCHASE

WHEREAS, the board members considered the following: The Physical Plant Department transports an average of 6,750 SFA students and faculty traveling approximately 52,000 miles on 150 individual local, statewide, and national trips each year utilizing two 52-passenger road buses. One of the road buses is 16 years old, and is increasingly more expensive to maintain. The costs of chartering outside buses or securing flights for SFA university departmental business travel are much higher than the expenses to operate travel in-house with the use of road buses.

THEREFORE, it was ordered that a new road bus be purchased and customized at a cost not to exceed $615,000, with pledged auxiliary fund balance used to fund the purchase. The president was authorized to sign associated purchase orders and contracts of $100,000 and greater.

SHUTTLE BUS PURCHASE

WHEREAS, the board members considered the following: The Physical Plant Department averages approximately 112,000 student transports between parking lots and university facilities each year, operating five days a week, eight hours per day. In addition to on-campus transport, these shuttle buses are occasionally used for university travel as well. One of the current shuttles has over 80,000 miles and 7,415 engine hours. As a result of the usage and mileage, the shuttle is increasingly more expensive to maintain.
THEREFORE, it was ordered that a new shuttle bus be purchased at a cost not to exceed $200,000, with Higher Education Fund (HEF) used to fund the project and associated costs. The president was authorized to sign purchase orders and contracts of $100,000 or greater.

SOFTWARE PURCHASE FOR THE OFFICE OF STUDENT LEARNING AND INSTITUTIONAL ASSESSMENT

WHEREAS, the board members considered the following: Recent changes to Southern Association of Colleges and Schools Commission on Colleges accreditation standards have placed renewed emphasis on the need for institutions to engage in ongoing, comprehensive, and integrated research-based planning and evaluation processes that focus on institutional quality and effectiveness and incorporate a systematic review of institutional goals and outcomes. For the past five years, the university has been using multiple software platforms to manage institutional effectiveness, academic program assessment, and core curriculum assessment.

One of the university vendors, Nuventive, has recently developed several product enhancements that will negate the need for multiple assessment software products at the university level. Upgrading our Nuventive software will allow the university to maintain one assessment platform that integrates data from other university systems (e.g., Learning Management System, Enterprise Resource Planning, etc.) to measure institutional effectiveness and student learning.

This integration will give the university the ability to aggregate data from multiple sources; tie that data to existing goals, objectives, and key performance metrics; and make data informed decisions associated with our strategic plan goals through student learning outcomes.

The upgrades include hosting services, dedicated product support and services, LMS and ERP integration, data visualization, and interactive dashboards.

THEREFORE, it was ordered that the Nuventive Improve software be purchased at a cost not to exceed $296,000 over five years, with the source of funds being designated funds. The president was authorized to sign associated purchase orders.

COURSE FEE DELETIONS

WHEREAS, the board members considered the following: Course and lab fees provide instructional departments with funds to support the actual cost of consumable supplies, service and travel related to specific course. Course and lab fees are allocated to instructional departments for expenditures that are necessary for course delivery. A review of the courses listed in Appendix 6 indicates that deletions must be made to accurately reflect the cost of delivering the course. The following course fee changes were made with the changes effective in fall 2018.

THEREFORE, it was ordered that the changes to the course fees listed in Appendix 6 be ratified.
INTEGRATED LIBRARY SYSTEM UPGRADE

WHEREAS, the board members considered the following: SirsiDynix’s Symphony is the current Integrated Library System (ILS) for SFA. The ILS is a system to track items such as electronic books and journals, orders made, bills paid, and patrons who have borrowed. Steen Library and ITS have determined that moving the system from on premise (SFA) hosting to cloud hosting will help gain efficiencies in terms of ITS server support, secure online access, and better experiences for students. A seven-year contract cost of the cloud-based updated Symphony system totals $591,748.56.

THEREFORE, it was ordered that Steen Library be authorized to contract with SirsiDynix for a cloud-based Integrated Library System and associated maintenance costs for a period of 7 years, through December 17, 2024, at a cost not to exceed $591,748.56, with designated funds used for the purchase. The president was authorized to sign the associated contract and purchase order.

GRANT AWARDS

WHEREAS, the board members considered the following: In fiscal year 2018, the university received multi-year grant awards totaling $18,638,213. Of that total, grants awarded allocable to fiscal year 2018 were $6,003,280, an increase of $113,484 since the last report.

For fiscal year 2019, the multi-year grant award total is currently $5,449,048. Of this total, grant awards allocable to fiscal year 2019 are currently $3,481,599.

The grant awards result from extensive faculty research and service engagement across many academic disciplines. The grants include direct federal, federal pass through, state and private awards.

THEREFORE, it was ordered that the additional fiscal year 2018 grant awards that total $113,484, and grant awards for fiscal year 2019 that total $3,481,599 be approved and ratified as they are detailed in Appendix 7.

MEDICAL INSURANCE BILLING CONTRACT EXTENSION

WHEREAS, the board members considered the following: At the January 29, 2013 meeting, the Board of Regents approved Vivature, Inc. to provide insurance company medical billing services for the SFA Health Clinic. The contract was scheduled to expire on October 31, 2018. On April 15, 2013 a contract amendment with Vivature, Inc. was signed that added medical billing services for the athletic department.

On August 17, 2017, an additional contract amendment was signed that extended the contract period from November 1, 2018 through December 31, 2019. The administration wishes to ratify the contract amendment that extended the medical services billing contract with Vivature, Inc. through December 31, 2019.
THEREFORE, it was ordered that the medical services billing contract extension from November 1, 2018 through December 31, 2019 be ratified. The president was authorized to sign purchase orders and any associated contract documents.

APPROVAL OF FINANCIAL AFFAIRS POLICY REVISIONS

The following policy revisions were adopted as presented in Appendix 8:

Contracting Authority 1.3
Ethics 2.6
Fraud 2.7
Items Requiring Board of Regents Approval 1.4
Property Inventory and Management 17.14
Private Support Organizations or Donors 3.25

BOARD ORDER 19-09

Upon motion by Regent Frailey, seconded by Regent Garrett, with all members voting aye, it was ordered that the following financial affairs item be approved.

APPROVAL OF THE RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM REVENUE BONDS; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING ONE OR MORE SERIES OF THE BONDS; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO (the “Bond Resolution”)

WHEREAS, the board members considered the following:

Bond Resolution. The bond resolution authorizes the issuance of revenue financing system bonds in one or more series for the acquiring, purchasing, constructing, improving, renovating, enlarging or equipping university property, buildings, structures, facilities, roads or related infrastructure including the 1) Welcome Center and Student Support Services One Stop Shop, 2) Basketball Practice Facility, 3) Fine Arts Expansion Initiative and 4) Construction and Renovation of Student Residential and Dining Facilities (all as further described below, the “projects”). In addition to financing such projects, the proceeds of the bonds will also be used to pay the costs of issuance of the bonds as well as capitalized interest to the extent determined advantageous to the university. The bond resolution also permits any series of bonds to be issued as tax-exempt, taxable or any combination thereof in accordance with federal tax law. The bond resolution delegates to the vice president for finance and administration to finalize pricing terms for issuing one or more series of the bonds so long as the aggregate principal amount of bonds issued does not exceed $125 million and the maturity date of any series of bonds is not later than October 15, 2053. The delegation authority to sell bonds pursuant to the bond resolution expires on October 30, 2019.

Reimbursement. Pursuant to the selection of architects and a construction manager at risk, the administration wishes to begin design and pre-construction planning before bonds are issued for the respective projects. To begin that process and qualify pre-bond issuance expenditures for bond proceeds’ reimbursement, a reimbursement resolution must be approved. Section 40 of the bond resolution
resolution includes the necessary reimbursement representations to reimburse pre-bond issuance expenditures.

Projects:

Basketball Practice Facility. The university’s current campus master plan includes development of athletic facilities. At the January 30, 2018 meeting, the regents selected Gensler Architects to conduct an athletic facilities assessment. The group concluded its facilities’ assessment and provided project proposals to the board of regents’ Athletic Subcommittee. As one phase of the comprehensive assessment, Gensler Architects recommended the construction of a basketball practice facility. The estimated project costs for the basketball practice facility is $26 million.

Welcome Center and Student Support Services One Stop Shop. The university has examined ways to provide additional service and support for prospective students, visitors and currently enrolled students. The recent campus space study conduct by Facilities Programming and Consulting (FP&C) recommended the creation of a welcome center to serve prospective students, families and visitors. In that capacity, the welcome center would house university employees who could provide information about admission, advising, billing and payments, campus life and housing, and financial aid. As a complement to the welcome center for prospective students and visitors, the student support services one stop shop initiative would enhance student support services for current students with the consolidation of admissions, advising, business office, financial aid, and residence hall operations. Using the FP&C study as a guide, the administration proposes to renovate and repurpose Kennedy Auditorium and the Rusk building to support current and prospective students. The estimated project costs for the welcome center and student support services one stop shop projects is $13 million. Residual project funds could be used to support the fine arts expansion initiative.

Fine Arts Expansion Initiative. The university’s current campus master plan includes fine arts expansion initiatives. Using that plan as a guide, the university issued an architectural request for qualifications to assess the College of Fine Arts’ space and performance needs. At the April 12, 2016 meeting, the regents selected Kirksey Architecture to develop a programming assessment for the performing arts in the College of Fine Arts. The assessment was completed and reported to the Board of Regents.

A recent campus space assessment conducted by FP&C identified space needs in the Department of Art. The estimated project costs for the fine arts expansion initiative is $37 million. Residual project funds could be used to support the welcome center and student support services one stop shop initiative.

Construct and Renovate Student Residential and Dining Facilities. The university’s campus master plan includes the development of a new first-year student residence hall and the renovation of existing residential facilities to enhance student life and increase the attractiveness of these facilities for prospective students. In addition, the replacement of the current East College Cafeteria with a new dining hall and renovations to other existing dining facilities will more efficiently provide the flexibility needed to meet the demand for contemporary food service
options. The estimated project costs for the student residential and dining facilities project is $39.5 million.

**THEREFORE**, it was ordered that the bond resolution in Appendix 4 and financing of these projects be approved. The president was authorized to sign project-associated contracts and purchase orders that are $100,000 or greater.

**BOARD ORDER 19-10**

Upon motion by Regent Frailey, seconded by Regent Coleman, with all members voting aye, it was ordered that the following financial affairs item be approved.

**APPROVAL OF THE 2020-21 LEGISLATIVE APPROPRIATIONS REQUEST**

**WHEREAS**, the board members considered the following: Required by the Legislative Budget Board (LBB), final revisions to the 2020-21 Legislative Appropriations Request (LAR) were submitted October 19, 2018. The LAR includes a $2,000,000 biennial request to fund a STEM/Early Childhood initiative and a tuition revenue bond capital request to construct a $48,000,000 Natural Resources Science and Innovations Laboratory (NRSIL). The request also included $8,369,718 in biennial debt service funding for the new facility. Additionally, the university requested $33,463,758 that includes tuition revenue bond debt service, special item, and general revenue-dedicated funding.

**THEREFORE**, it was ordered that the 2020-21 LAR that includes nonformula funding requests of $33,463,758 and $10,369,718 in exceptional item requests be approved.

**BOARD ORDER 19-11**

Upon motion by Regent Frailey, seconded by Regent Mason, with all members voting aye, it was ordered that the following financial affairs item be approved.

**APPROVAL TO INCREASE THE STEM BUILDING BUDGET AND GROSS MAXIMUM PRICE**

**WHEREAS**, the board members considered the following: The new STEM Building was considered substantially complete in August 2018, and classes began in the fall 2018 semester. The STEM Building project budget was established at a level of $46,400,000, funded by tuition revenue bonds proceeds.

During the term of the project, bond proceeds were invested, and current investment earnings total $778,491. Using current interest rates, total project earnings are expected to approximate $850,000. The investment earnings also provide an opportunity to complete components of the STEM Building project that were planned initiatives, based on investment earnings and available project savings. At the April 24, 2018 meeting, the regents authorized a contractor’s gross maximum price (GMP) increase of $2,969,875, for a GMP total of $39,792,315 to reconstruct Clark Boulevard, provide STEM Building parking space, and complete the fourth floor addition of the STEM Building.
To accomplish additional project initiatives, the administration would like to increase the STEM Building project budget to recognize the amount of the project’s investment earnings. In addition, with the use of additional investment earnings and project contingency savings, the university would like to increase the construction contractor’s current GMP.

THEREFORE, it was ordered that the STEM Building project budget be increased by $850,000 to a total budget level of $47,250,000. In addition, the contractor’s GMP be increased from $39,792,315 to $40,992,315, an increase of $1.2 million. The president was authorized to sign associated contracts and purchase orders that are $100,000 and greater.

REPORTS

In the absence of the president, Dr. Westbrook provided a report to the regents on the following topics:

- Upcoming Dates
- SFA Gala
- Commencement

Jason Reese, Faculty Senate Chair presented a report on the following topics:

- Alignment of SFA Envisioned and Faculty Promotion and Tenure Guidelines
- Faculty Senate Activities
- Faculty Accomplishments

Jeffrey Agouna-Deciat, SGA President, gave a report on the following topics:

- 95th Anniversary Celebration
- Ambassador to the Republic of Chad
- Lumberjacks Vote Initiative
- Charging Docs/Printing Systems

Chair Henderson appointed the nominating committee for 2018-19 board officers. Regent Scott Coleman will serve as committee chair and members will be Regent Tom Mason and Regent Ken Schaefer.

The meeting was adjourned by Chair Henderson at 3:11 p.m.
1. Composition of Board

The Board of Regents, Stephen F. Austin State University, is composed of nine members who are appointed by the governor of Texas, with the advice and consent of the senate. Three members of the board are appointed biennially to serve for terms of six years.

The board is charged with the responsibility of performing those duties which are delegated to it by the legislature. The board has no authority except as delegated to it by law.

Knowledge of the limitations of its authority is imputed to all persons, firms and corporations dealing with the board.

2. Non-Voting Student Regent

Annually on June 1, a student regent shall be appointed by the governor to serve a one-year term expiring on the following May 31. The student regent must be enrolled as an undergraduate or graduate student at Stephen F. Austin State University at the time of appointment and throughout the student regent’s term. The student regent must remain in good academic standing and maintain at least a 2.5 GPA.

The student regent is not a member of the Board of Regents of Stephen F. Austin State University. The student regent has the same powers and duties as the members of the Board of Regents, including the right to attend and participate in meetings of the Board of Regents, except that the student regent may not vote on any matter before the board or make or second any motion before the board. The student regent is not counted in determining whether a quorum exists for a meeting of the board or in determining the outcome of any vote of the board.

3. Office of the Board of Regents

The Office of the Board of Regents is located in the Austin Building, Room 308. The mailing address is PO Box 13026 – SFA Station, Nacogdoches, TX 75962-3026. The office is staffed by the coordinator of board affairs.
4. Setting of Meetings

The Board of Regents shall convene annually in Nacogdoches, Texas, in the month of April, which meeting shall be known as the annual meeting.

All meetings of the board shall conform to the terms of the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. Regular meetings of the board shall be held quarterly at such time and place as a majority of the board shall determine. The board shall set regular quarterly meeting dates one year in advance, usually in January, April, July and October, which may be changed by consensus of the board due to unanticipated needs. Special meetings of the board may be called by the chair, or by a majority of the members of the board. Telephone conference meetings may be called when circumstances dictate that immediate action is required and it is difficult or impossible to convene a quorum in a single location. Telephone conference meetings shall be restricted to special meetings of the board.

All meetings of the Board of Regents shall be open to the public and broadcast over the internet as required by state law. Such broadcasts shall be recorded and archived in accordance with state law. Executive sessions of the board may be held with the consent of a majority of those members present and as authorized by law.

A majority of the members of the board or committee membership shall constitute a quorum. Ex-officio members shall be counted for purposes of determining a quorum. Proxies shall not be recognized. No formal action shall be taken by the board or committee of the board in the absence of a quorum.

5. Designation of Officers

The officers of the board shall include a chair, a vice chair, a secretary, and such other officers as may from time to time be elected or appointed.

6. Election of Chair and Authorization of Duties

At the January meeting of the board, and as the last order of business, there shall be elected from the membership of the board a chair, who shall take office at the start of business during the official, formal meeting of the full board in April and shall serve through the beginning of business at the formal meeting of the full board in April of the following year. In the event the chair’s term of office as regent expires prior to the conclusion of his/her service as chair, the chair-elect shall immediately take office upon such expiration and serve for the remainder of the previous chair’s term and his/her elected term; however if the chair is reappointed
to a new term as regent, he/she shall complete the elected term of office. If a chair-elect has not been named, the vice-chair shall serve as chair of the board until the beginning of business at the formal meeting of the full board at the next April meeting.

No member shall serve more than two consecutive elected terms as chair unless the members shall re-elect such member for each term after the two consecutive terms by a vote of at least six (6) members.

In the event of a chair’s death or resignation, the vice chair shall serve as chair of the board until the beginning of business at the formal meeting of the full board at the next April meeting.

The chair of the board shall preside at all meetings of the board which he/she attends.

He/she will be responsible for the agendas of the meetings of the board. He/she shall have the authority to call special meetings of the board, as herein provided. He/she shall be an ex officio member of all committees of the board and shall be in addition to the membership prescribed in Section 9 of these Rules. He/she shall deliver to each new -board member immediately upon such person's appointment by the governor a copy of the regents' Rules and Regulations and a copy of the organization of principal administrative offices of the university. He/she shall ensure the members of the Board are apprised of their duties and responsibilities under law, including but not limited to Texas Education Code Section 51.352.

Parliamentary procedure in board meetings will generally conform to Roberts' Rules of Order, Newly Revised, when not in conflict with board rules.

The chair shall, in the name of the board, formally execute all contracts and documents authorized by resolutions of the board unless otherwise authorized to be signed by the president, and perform such other duties as are generally imposed on a chair of the board.

7. Election of Vice Chair and Authorization of Duties

A vice chair shall be elected from the membership of the board immediately following the election of a chair at the January meeting and shall take office at the start of business during the official, formal meeting of the full board in April and shall serve through the beginning of business at the formal meeting of the full board in April of the following year. In the event the vice chair’s term of office as regent expires prior to the conclusion of his/her service as vice chair, the vice chair-elect shall immediately take office upon such expiration and serve for the remainder of the previous vice chair’s term and his/her elected term; however if
the vice chair is reappointed to a new term as regent, he/she shall complete the elected term of office. If a vice chair-elect has not been named, the secretary shall serve as vice chair, as well as secretary, until the beginning of business at the formal meeting of the full board at the next April meeting.

No member shall serve more than two consecutive elected terms as vice chair unless the members shall re-elect such member for each term after the two consecutive terms by a vote of at least six (6) members.

The vice chair shall preside over meetings of the board in the absence of the chair, and shall succeed to the rights and powers of the chair in the event he/she is absent from the state or is unable to act because of disqualification, or because of physical disability as determined by the board. The vice chair shall perform such other duties as may be delegated to him/her by the board.

In the event of the death, resignation, or assumption of chair duties by the vice chair, the secretary shall serve as vice chair, as well as secretary, until the beginning of business at the formal meeting of the full board at the next April meeting.

8. Election of Secretary and Authorization of Duties

The board shall select a secretary from the membership of the board, immediately following election of a vice chair at the January meeting, who shall take office at the start of business during the official, formal meeting of the full board in April and who shall serve through the beginning of business at the formal meeting of the full board in April of the following year. In the event the secretary’s term of office as regent expires prior to the conclusion of his/her service as secretary, the secretary-elect shall immediately take office upon such expiration and serve for the remainder of the previous secretary’s term and his/her elected term; however if the secretary is reappointed to a new term as regent, he/she shall complete the elected term of office. If a secretary-elect has not been named, the vice chair shall serve as vice chair, as well as secretary, until the beginning of business at the formal meeting of the full board at the next April meeting. The secretary shall ensure that preparation for all meetings of the board, including such notices as required by law are made. The secretary or other officers shall attend all open meetings of the board and ensure that accurate records of all open meetings are kept. He/she shall ensure that all parties affected by the actions of the board are notified. He/she shall provide oversight to the coordinator of board affairs who shall be responsible for all records of the board and all documentary files thereof. He/she shall ensure that the coordinator of board affairs keep the official copy of the regents’ Rules and Regulations. Said copy shall contain all current rules and regulations as set by the Board of Regents. Any changes or additions thereto shall be entered in the official copy and such changes and additions shall be furnished to members of the board and officers of the university as designated by the
president. The coordinator of board affairs shall assist the secretary in performing the duties of his/her office.

9. Committees of the Board

The chair of the board shall appoint at the annual meeting of the Board of Regents or soon thereafter all committee members and shall designate a chair of each committee except as otherwise provided herein. The chair of the board may further remove, replace, or appoint members in the event of a vacancy.

9.1 The Executive Committee shall consist of the chair of the board, the vice chair of the board, and one other member appointed by the chair. The chair of the board shall serve as chair of this committee. This committee shall serve as an advisory committee and review and make recommendations to the full board on any matter related to the governance, control and direction of the policies of the university.

9.2 The Academic and Student Affairs Committee shall consist of three members. This committee shall consider:

1. the curricula of the various colleges and departments of the University with any other matters dealing with academic programs and the progress thereof;
2. the research programs within the university and their relationship to all graduate education;
3. student affairs within the university;
4. personnel matters within the university.

The committee shall summarize facts and present alternatives as necessary.

9.3 The Building and Grounds Committee shall consist of three members. This committee shall consider:

1. use and occupancy of university property;
2. planning of, locating of, receiving bids for, awarding contracts for, construction of, and maintenance of buildings, utilities, and other physical facilities of the campus.

The committee shall summarize facts and present alternatives as necessary.

9.4 The Finance and Audit Committee shall consist of three members. This committee shall consider:

1. the budgeting and appropriations request processes;
2. all requests for appropriations and budgets covering expenditures of educational and general funds and auxiliary programs, including, but not limited to, student housing and the athletic department;
(3) handling of university funds, depositories, etc., whether from appropriated or contributed funds.
(4) the auditing function of the university including, but not limited to, annual audit plan, internal and external audit reports, risk assessment, and audit/compliance issues.

The committee shall summarize facts and present alternatives as necessary.

9.5 The Nominating Committee shall consist of three members. This committee shall be appointed annually prior to the January meeting by the chair for the purpose of nominating board officers for election at the January meeting.

9.6 The chair of the board may at any time appoint special committees, name the members thereof and designate the chairs. At a meeting of the Board of Regents, not less than six members thereof may appoint special committees, name the members thereof and designate the chairmen. Any special committee so created by the chair or by the Board of Regents shall be temporary and shall be charged in writing as to its particular duties and functions and the period in which it is to serve. Action by the chair of the board and/or six such members will be required to extend this period.

10. Prohibiting Contracting with Board Members

The Board of Regents shall approve no contract or agreement of any character in which a member of the board, directly or indirectly, has a pecuniary or substantial interest, without prior advice of the general counsel. Regents must self-disclose potential direct or indirect pecuniary or substantial interests in matters pending before the Board of Regents. Potential transactions with relatives of regents should also be disclosed to the general counsel for advice and counsel to avoid any appearances of a conflict of interest.

11. Election of University President

Annually when the budget is passed, the Board of Regents shall conduct a performance review of the president and elect the president of the university by affirmative vote of a majority of its members. The president of the university shall hold office without fixed term and at the pleasure of the board. The president shall not have tenure as president, but may hold tenure as a member of the faculty of the university when such tenure has been approved by the board. The president's salary shall be designated in the appointing order.

In case a change in the presidency is made, the board will accept for consideration suggested nominations from a screening committee representing the board, the
faculty, the staff, the Alumni Association, the community, and the student boy, which committee shall be selected by a majority vote of the Board of Regents.

12. Authority, Duties, and Responsibilities of the University President

The president shall be responsible for developing and maintaining excellence and efficiency within the university.

The president shall be answerable to the Board of Regents and shall have discretionary powers broad enough to effectively administer the university within the policies and guidelines as set forth by the Board of Regents. The president shall have such powers as may be from time to time delegated by the board.

The president shall be prepared to make recommendations to the board on university matters which require board approval.

The president shall be responsible for implementing all board action items affecting the university.

The president shall interpret the board's policies to the faculty and staff and interpret the university's programs and needs to the board. The president shall at all times also represent and interpret the university's programs, needs and interests to the public.

The president shall recommend appropriate operating budgets and supervise expenditures under approved budgets.

The president shall nominate to the board the appointment and reappointment of all members of the faculty, administrative officers and professional staff and recommend such individuals for promotion, retention, or dismissal.

The president shall develop and maintain efficient personnel programs for all employees, including faculty and administrative officers.

The president shall ensure efficient management of business affairs and physical property and shall recommend additions and alterations to the physical plant.

The president shall assume active leadership in developing private fund support for the university.

Without prior notice or hearing, the president of the university may suspend without pay and immediately remove from the university or assign to other
duties with pay any employee, and suspend and immediately remove from the university any student who: (1) poses a continuing danger to persons or property; (2) disrupts the orderly operation of the university; (3) endangers the education of students; or (4) has been convicted by a trial court of any felony or a crime of moral turpitude. The president shall, as soon as possible, notify the general counsel of such action. In such cases the president will set a hearing before the appropriate administrator or committee on the employee's or student's case as soon thereafter as is practicable unless otherwise waived by the employee or student.

The president shall have the ultimate responsibility for the proper administration of all university contracts, agreements, or purchases which are delegated to the president under the board's policy.

The president is authorized to accept grants and contracts and enter into agreements involving the furnishing of educational services with the various agencies of the federal and state governments, foundations, and private corporations and is authorized to advance funds as necessary to finance federal grants and contracts which are on a reimbursement basis provided the university will be reimbursed by the agencies for any cost resulting from such grants or contracts.

13. Election and Duties of General Counsel

Annually when the budget is passed, the Board of Regents shall conduct a performance review and elect the general counsel by affirmative vote of a majority of its members. The general counsel shall hold office without fixed term and at the pleasure of the board. The general counsel's salary shall be designated in the appointing order.

The general counsel shall be responsible for all legal advice on all matters related to the university. He/she shall be responsible for all legal matters with local, state, and federal agencies and officials.

The general counsel shall work in cooperation with the attorney general of the state of Texas, legal counsel engaged in private practice and other legal counsel for agencies of the state of Texas concerning matters that may affect the university. He/she shall monitor all lawsuits brought against or for the university and assist the attorney general's office in the preparation, trial, and appeal of lawsuits involving the university.

The general counsel's office shall review all contractual obligations entered into by the university. He/she shall make legislative interpretations and be responsible for monitoring all legislative statutes affecting the university.
He/she shall be responsible for the determination of student residency classification on appeal. He/she shall perform such other duties which are generally incumbent upon a general counsel of like boards or which shall be delegated to him/her by the board or the president of the university.

14. Election and Duties of the Chief Audit Executive

Annually when the budget is passed, the Board of Regents shall conduct a performance review and elect the chief audit executive by affirmative vote of a majority of its members. The chief audit executive shall hold office without fixed term and at the pleasure of the board. The chief audit executive’s salary shall be designated in the appointing order.

The chief audit executive shall assist the board in carrying out its oversight responsibilities as they relate to the university’s a) financial and other reporting practices, b) internal control, and c) compliance with laws, regulations, and ethics.

The chief audit executive shall report on a day-to-day and functional-administrative basis to the president of the university. The chief audit executive shall periodically communicate directly with the Finance and Audit Committee chair. It is important that the university auditor be independent of the chief financial and/or accounting officers to ensure independent review of the internal control structure and the financial reporting process.

The chief audit executive shall work in cooperation with the state auditor’s office, independent auditors engaged in private practice, and other auditors for entities of the state of Texas concerning matters that may affect the university.

The chief audit executive shall annually submit information on the annual audit plan, work schedule, and staffing plan to the president for his review and to the Board of Regents for their approval. The chief audit executive shall submit an annual report as required by Texas Government Code Chapter 2102. The annual report shall be submitted to the president and the board for review prior to public dissemination.

15. Election and Duties of the Coordinator of Board Affairs

Annually when the budget is passed, the Board of Regents shall conduct a performance review and elect the coordinator of board affairs by affirmative vote of a majority of its members. The coordinator of board affairs shall hold office without fixed term and at the pleasure of the board. The salary for this position shall be designated in the appointing order.

The coordinator of board affairs shall manage the Office of the Board of Regents to
assist in the administration of the responsibilities of the board and facilitate the role of each regent in the discharge of his or her responsibilities.

The coordinator of board affairs shall use discretion and independent judgment in establishing reporting mechanisms for the board, shall work directly with the regents, president, and general counsel on a routine basis, shall track information needs of the board and shall work as the campus liaison for the board’s honored guests, including legislators, commencements speakers, and other dignitaries.

Other responsibilities for the coordinator of board affairs shall include taking, preparing and distributing meeting minutes; preparing and distributing meeting agendas; coordinating the review and publication of board policies, filing open meeting notices; notifying board members of all meeting dates; administering all communications and correspondence for the board; planning meetings, workshops, events and retreats for the board; making travel arrangements for board members; maintaining a calendar for the board; keeping board members apprised of upcoming events; ensuring appropriate board representation at functions; maintaining current board address list; and developing and maintaining the Board of Regents’ Web page.

16. Employees Reporting to the Board of Regents

From time to time, the Board of Regents may employ other individuals who report directly to the Board of Regents. Such employees shall hold office without fixed term and at the pleasure of the board. The salary of such employees shall be designated in the appointing order. Performance reviews may be conducted by the board within its discretion.

17. Report or Agenda for Meetings

At all regular or special meetings of the board, the president of the university shall submit a president’s report in writing. Such reports shall follow a uniform format approved by the board, with the proposed form of recommended board orders set out in the first section of the report, followed by sections on faculty and staff, budgetary items, contracts, curriculum, miscellaneous items and explanation. The latter section of the report shall set forth in reasonable detail an explanation of each proposed board order or recommendation. All board orders proposed in a president’s report shall be drafted with clarity and brevity to reflect, without the need to refer to extraneous sources, the precise action ordered by the board in each instance. The drafting of multifarious orders for board consideration shall be avoided.

A copy of the president's report shall be submitted to all members of the board.
and the secretary at least ten days in advance of a meeting of the board.

18. Order of Business

All regular and special meetings of the Board of Regents shall be as follows unless the chair otherwise directs:

A. Approval of the minutes of the preceding meeting  
B. Reports of standing committees  
C. Reports of special committees  
D. Other business  
E. Adjournment

19. Appearances Before the Board

19.1 Special appearances as requested by the board or president: The chair of the Board of Regents or the president (as approved by the board chair) may invite individuals to appear before the board or one of its committees (as approved by the committee chair) for specific purposes. The chair of the Faculty Senate and the president of the Student Government Association shall have the opportunity to provide a report at each quarterly board meeting.

19.2 Requests to address the board: Requests to appear before the board to make comments on a specific agenda item must be received by the coordinator of board affairs in writing no later than twenty-four (24) hours before the board meeting at which the individual wishes to speak. The request should set out clearly the nature of the subject matter to be presented relating to a specific board agenda item. In making a request to appear before the board, individuals must give their names and any relevant title or affiliation. Comments on topics not posted on the agenda are not allowed but may be submitted to the coordinator of board affairs in writing, at any time, for distribution to the regents.

19.3 Time allocation: The board will allow up to twenty (20) minutes for public comment per agenda item. An individual speaker will be permitted three (3) to five (5) minutes for a presentation. The board will allow a total of up to ninety (90) minutes for public comments per regular quarterly meeting. Copies of speakers' comments, and/or other written materials for distribution to the Board of Regents will be accepted. Public comments will take place during the scheduled public comment period at the beginning of each regular quarterly meeting.

19.4 Other meetings: While a specific period for public testimony will be limited to the regular quarterly meetings, written comments are welcome for any
scheduled meeting of the Board of Regents. One copy of comments may be forwarded to the Office of the Board of Regents for distribution to the regents.

19.5 Scheduling of speakers: When the number of requests to address the board at a given session and for a specific agenda item exceeds the time available, requests will be approved based on the order the written request was received by the coordinator of board affairs. If, by virtue of time or other constraint a speaker is not able to present his/her comments orally, said comments will be accepted in writing and distributed to the Board of Regents at the meeting.

19.6 Special Requests: Special requests to appear before the board for comments at times other than the regular quarterly meetings can be submitted to the coordinator of board affairs for consideration by the chair of the Board of Regents.

20. Annual Budget for University Operations

The president shall prepare and submit annually to the board at its April or July meeting, as specified each year by the board, a proposed budget for the operation of the institution for the next fiscal period. Copies of all proposed operating budgets shall be submitted in writing to all members of the board at least one week in advance of such meeting of the board.


The president of the university shall submit a monthly operating statement to the members of the board showing balance sheet by fund groups, statement of income, statement of expenditures, unexpended balances, encumbrances, and unencumbered balances.

All institutional books, records, ledgers and accounts shall be kept and maintained in conformity with recommendations of the state auditor and the state comptroller of public accounts, subject to approval by the board.

Blanket fidelity bonds, approved by the board, shall be required to cover all employees of institutions under the jurisdiction of the board.

22. Student Admission, Degree Requirements, Tuition and Fees

Student admission standards, entrance requirements, and degree qualifications shall be determined and prescribed by the institution, subject to the approval of
the board. No otherwise qualified applicant for student enrollment shall be denied admission solely on the basis of religious or racial tests. Enrollment preference shall be given to residents of the state of Texas. Tuition, student fees, and room and board rates shall be established by the institution, subject to legislative direction and approval by the board.

Each member of the board shall receive copies of major publications of the university.

23. Employment of Bond Legal Counsel

The board shall employ bond counsel as appropriate to advise and represent it in any matters.

24. Reimbursement of Expenses

Reimbursement of expenses shall be allowed for members of the board for: attending regular and special meetings of the board; for visiting the university at the request of the board or the chair of the board; for attending formal committee meetings, and for such other special and limited purposes as the board may expressly authorize in accordance with state regulations. Verified expense accounts shall be submitted to the Office of the Board of Regents for payment and the same shall be subject to review and control by the board.

25. Use of Campus Facilities for Political Purposes

While the use of the facilities of the university for partisan political assemblies and meetings is not normally encouraged, the faculty and administration, as members of a learned and honorable profession, may properly exercise their acknowledged individual rights and obligations of citizenship free of university discipline or censorship.

Individual political candidates and their election organizations are not permitted to reserve a university facility for campaign activities. However, if a candidate is invited by a university group, then he or she may appear in the facility, provided that the group extending the invitation is responsible for reserving the facility and meeting the costs related to the event.

No member of the Board of Regents shall undertake to influence the political opinions of personnel subject to the board’s jurisdiction, but such personnel are requested to exercise their individual rights of citizenship or academic freedom in a responsible manner reasonably calculated not to identify or associate with the university.
A university employee may not use his or her official authority or influence to coerce the political action of a person or body.

26.25. Authority for Official Statements

The Board of Regents hereby reserves the authority and responsibility for determining matters of policy and official statements concerning any political or other subjects of an obviously controversial nature which represents an official policy, statement, or position of the Board of Regents, or of the university. Statements, policies, and positions by the Board of Regents on such matters shall be made by the board through the chair of the board or the president of the university. No regent, officer, faculty or staff member shall have the authority to speak for or issue any public statements on policy for and on behalf of the Board of Regents, or of the university, on such matters without prior approval of the board.

27. Naming of Buildings and Other Facilities

Buildings and other facilities (including laboratories and clinics) of Stephen F. Austin State University may be named by the Board of Regents for deceased persons who have made outstanding contributions to the university or its prestige. In extraordinary circumstances, particularly when a significant donation has been made to the university, the Board of Regents may name a building, or other facility, for a living person.

Gift naming thresholds are outlined in the university’s policy for Naming Guidelines (1.5). The Board of Regents retains the latitude to create alternate naming opportunities within the discretion of the board.

Proposed names may be submitted from any source to the Office of Development for their recommendation to the president who, if he concurs, shall submit such names, together with background reasons, to the Board of Regents for consideration; provided, however, that the Board of Regents may act without receiving a nomination from the Office of Development, when circumstances justify such action, and particularly when a substantial donation has been made toward the construction of the building or facility to be named. Any such nominations shall be reviewed by a committee of the board. Such review shall take place before any contacts with prospective nominees. A name will not be moved from one building to another, and when a building is razed, the name will no longer be used.

A plaque shall be placed on each new building. The plaque shall show the names of those occupying the following positions on the date the project is approved by
the Board of Regents: the officers of the Board of Regents; the remaining members of the Board of Regents in alphabetical order; the student regent; the president of the university; the vice president for finance and administration, the vice president(s) for the area involved, the director of Physical Plant, the architect and the contractor, together with the year the project was approved.

26. Board Evaluation

Annually when the budget is passed, the Board of Regents will conduct a self-evaluation of its responsibilities and expectations. This evaluation will consider the principles of board governance as specified by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), applicable state law, the Board of Regents Rules and Regulations, and the university’s mission statement and strategic plan.

28.27. Provisions to Amend Rules and Avoid Conflict with Statutes

The rules and regulations herein provided may be amended by a majority vote of members of the board at any regular meeting or at a special meeting of the board called for that purpose. Proposed amendments shall be filed in writing with the secretary and copies submitted to each board member at least fifteen (15) days before the same are considered by the board.

Should all or any part of the foregoing rules and regulations conflict with any constitutional, statutory or legislative appropriations provisions, they shall be amended to conform therewith.
INTRODUCTION

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

PURPOSE

The purpose of the Department of Audit Services is to provide Stephen F. Austin State University (SFASU) Board of Regents and the President an independent appraisal of the adequacy and the effectiveness of the University’s system of internal administrative and accounting controls and the quality of performance when compared with established standards. The primary objective is to assist the Board of Regents, the President and University management in the effective discharge of their responsibilities.

ROLE

The internal audit activity is established per the Texas Internal Auditing Act. The Department of Audit Services at SFASU is the internal audit activity. The SFASU Board of Regents Finance and Audit Committee provides oversight. The Department of Audit Services works to be a trusted advisor to management in the areas of governance, risk management and internal controls.

PROFESSIONALISM

The Department of Audit Services will govern itself by adherence to The Institute of Internal Auditors’ mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, the Core Principles, and International Standards for the Professional Practice of Internal Auditing (Standards), as well as Generally Accepted Government Auditing Standards as required by the Texas Internal Auditing Act. This mandatory guidance constitutes principles of the fundamental requirements for the Professional Practice of Internal Auditing and for evaluating the effectiveness of the internal audit activity’s performance.

The Institute of Internal Auditors’ Implementation Guidance and Supplemental Guidance will also be adhered to as applicable. In addition, the Department of Audit Services will adhere to relevant SFASU policies and procedures and the Department of Audit Services procedures manual.

AUTHORITY

The Department of Audit Services, with strict accountability for confidentiality and safeguarding records and information, is authorized unrestricted access to any and all of SFASU records, both manual and electronic; physical properties and assets; activities; systems; and personnel pertinent to carrying out any engagement. All SFASU employees should make an effort in a timely and ethical manner to assist the Department of Audit Services in fulfilling its roles and
responsibilities when requested for an audit, investigation, or other activity. The Chief Audit Executive (CAE) will also have free and unrestricted access to the Finance and Audit Committee.

ORGANIZATION

The Department of Audit Services is an integral part of SFASU and functions in accordance with the policies established by the Board of Regents and President. To provide for the independence of the Department of Audit Services, the CAE is appointed by the Board of Regents in accordance with the Board of Regents Rules and Regulations. The CAE reports functionally to the Board of Regents and administratively to the President.

The CAE will communicate and interact directly with the Finance and Audit Committee, including committee meetings, executive sessions where allowed by law, and between committee meetings, as appropriate. Responsibilities of the Finance and Audit Committee are outlined in the Board of Regents Rules and Regulations.

INDEPENDENCE AND OBJECTIVITY

The Department of Audit Services will remain free from interference by any element in the University, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor judgment. Internal auditors may provide assurance services where they have previously performed consulting services provided the nature of the consulting did not impair objectivity, and provided individual objectivity is managed when assigning resources to the engagement.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The CAE will confirm to the Finance and Audit Committee Chair the organizational independence of the Department of Audit Services and its staff members.

RESPONSIBILITY

The Department of Audit Services scope encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the University’s governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the University’s stated goals and objectives. This includes:

- Developing a flexible, annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submitting that plan to
the President and Finance and Audit Committee for review and to the Board of Regents for approval on an annual basis.

- Developing and utilizing a systematic, disciplined approach for performing internal audits.
- Providing audit coverage that consistently meets the needs and expectations of the Board of Regents, President, and oversight agencies where applicable.
- Developing relationships throughout the University to become a trusted advisor to management on risk management, governance and internal control matters.
- Maintaining a professional audit staff with sufficient knowledge, skills, abilities, experience, and professional certifications.
- Evaluating risk exposure relating to achievement of the University’s strategic objectives.
- Evaluating the reliability and integrity of financial and operational information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with policies, plans, procedures, laws, and regulations which could have a significant impact on the University.
- Evaluating compliance with laws, regulations, policies, procedures, and controls.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned and the effectiveness and efficiency of the operations and programs.
- Evaluating risk management, control, and governance processes.
- Evaluating the quality of performance of external auditors and the degree of coordination with internal audit, as applicable.
- Serving as liaison and coordinating the efforts of external auditors.
- Performing consulting services related to governance, risk management and control as appropriate for the University and documenting the understanding of the consulting engagement objectives, scope, responsibilities and expectations for significant engagements.
- Performing advisory services related to governance, risk management and control as appropriate for the University. Such services may include management requests, participation on University committees, policy reviews, and participation on teams for information technology projects and business process improvements.
- Evaluating specific operations at the request of the Finance and Audit Committee or management, as appropriate.
- Conducting inquiries or investigations of suspected fraudulent activities in accordance with SFASU Policy 2.7, Fraud.
- Conducting inquiries or investigations of ethics or compliance matters with the General Counsel per SFASU Policy 2.12, Compliance.
- Assisting with the anti-fraud program for the University.
- Facilitating risk assessment processes with management.
- Maintaining a list of management action plans from audits and projects and performing follow-up on the plans as considered necessary.
- Providing a systematic, disciplined approach to evaluate and improve the effectiveness of the University’s risk management, control, and governance processes related to contracts and risk-based testing of contract administration.
INTERNAL AUDIT PLAN

At least annually, the CAE will submit to the Finance and Audit Committee an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal year. The internal audit plan will be developed based on a prioritization of the audit universe using an appropriate risk-based methodology, including input of senior management and the Finance and Audit Committee Chair. The CAE will consider audits such as those required for information security, contracts, contract administration, investments, and other areas. The CAE will review and adjust the plan, as necessary, in response to changes in the internal audit resource levels or the University’s business, risks, operations, programs, systems, and controls. Any significant deviation from the internal audit plan will be communicated to the Finance and Audit Committee Chair.

REPORTING AND MONITORING

The CAE or designee will communicate the results of each internal audit engagement to the appropriate individuals. Internal audit results will also be communicated to the Finance and Audit Committee and state and federal oversight agencies as required.

Communication of the engagement results may vary in form and content depending upon the nature of the engagement and the needs of the client. Where applicable, a formal internal audit report will include management’s response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management’s response should include an implementation date for anticipated completion of action.

The Department of Audit Services will be responsible for appropriate follow-up on management action plans to address engagement findings and recommendations and reporting the results to appropriate management members and the Finance and Audit Committee. All significant findings will remain as open issues until reviewed and cleared by the Department of Audit Services.

The Department of Audit Services will fulfill reporting requirements for audit reports and the annual report, including the annual audit plan, as prescribed by the Texas Internal Auditing Act.

The CAE will periodically report to the Finance and Audit Committee on the Department of Audit Services’ purpose, authority, and responsibility, as well as performance relative to its audit plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the President and the Finance and Audit Committee.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The CAE will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the *Definition of Internal Auditing, the Core Principles, and the Standards* and an evaluation of whether internal auditors apply the *Code of Ethics*, as well as *Generally Accepted Government Auditing Standards* and the Texas Internal Audit Act as applicable. The program also
assesses the efficiency and effectiveness of the Department of Audit Services and identifies opportunities for improvement.

The CAE will communicate to the Finance and Audit Committee on the Department of Audit Services quality assurance and improvement program, including results of ongoing internal assessments and external assessments conducted at least every three years.

RELEVANT STATUTES AND POLICIES

- Texas Internal Auditing Act, Government Code Chapter 2102
- SFASU Board of Regents Rules and Regulations
- SFASU Policy 2.7, Fraud
- SFASU Policy 2.12, Compliance
- SFASU Policy 2.6, Ethics

APPROVAL

The Internal Audit Activity Charter was submitted by the Chief Audit Executive for review and approval by the Finance and Audit Committee and Board of Regents on October 29, 2018.
### Stephen F. Austin State University
#### Student Housing Rates for Fiscal Years 2020 and 2021

<table>
<thead>
<tr>
<th>Residence Hall Rates</th>
<th>Fall/Spring Rates for FY 2020</th>
<th>Maymester Rates for FY 2020</th>
<th>Summer 1/2 Rates for FY 2020</th>
<th>Fall/Spring Rates for FY 2021</th>
<th>Maymester Rates for FY 2021</th>
<th>Summer 1/2 Rates for FY 2021</th>
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<td>Wisely (Hall 5)</td>
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RESOLUTION AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM REVENUE BONDS; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING THE BONDS; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

Adopted October 29, 2018
RESOLUTION AUTHORIZING THE ISSUANCE OF
ONE OR MORE SERIES OF BOARD OF REGENTS OF
STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM
REVENUE BONDS; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF
SAID BONDS; ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING
THE BONDS; AND APPROVING AND AUTHORIZING INSTRUMENTS
AND PROCEDURES RELATING THERETO

WHEREAS, in order to reduce costs, increase borrowing capacity, provide additional
security to the credit markets, and provide the Board of Regents (the "Board") of Stephen F. Austin
State University (the "University") with greater financial flexibility, the Board deemed it necessary
and desirable to establish a revenue financing program for revenue supported indebtedness to
provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip property,
buildings, structures, facilities, roads, or related infrastructure at the University, as well as any
institution, branch or entity hereafter placed under the control and governance of the Board, to the
extent permitted by Chapter 55, Texas Education Code, including specifically, but not by way of
limitation, Section 55.02 thereof; and

WHEREAS, pursuant to the terms of resolutions adopted by the Board (the "Prior
Resolutions"), the Board has outstanding certain Previously Issued Parity Obligations (as defined
herein) that are secured by a lien on and pledge of the "Pledged Revenues" (as defined herein),
which lien and pledge is subject to the lien on and pledge of the "Prior Encumbered Revenues" (as
defined herein); and

WHEREAS, the Prior Resolutions established and confirmed the Stephen F. Austin State
University Revenue Financing System for the purpose of providing a financing structure for
revenue supported indebtedness at the University; and

WHEREAS, the Prior Resolutions permit the Board, to issue "Parity Obligations" secured
by a lien on and pledge of the Pledged Revenues on a parity with the Previously Issued Parity
Obligations; and

WHEREAS, the Board has determined that it is in the best interest of the University to
authorize the issuance of bonds in one or more series to finance the costs of facilities and
improvements for the University; and

WHEREAS, the bonds authorized to be issued in one or more series by this Resolution
are to be issued and delivered pursuant to laws of the State of Texas, including Chapters 54 and
55 of the Texas Education Code, Chapter 1371, Texas Government Code, as amended, and other
applicable laws, insofar as it may be required in connection with the objectives of this Resolution,
and the bonds issued under this Resolution shall constitute Parity Obligations in accordance with
the Prior Resolutions; and

WHEREAS, the Board finds it necessary and advisable to adopt this Resolution, and
further acknowledges that by adopting this Resolution it will be bound by and agrees to follow the
covenants set forth in this Resolution; and
WHEREAS, the terms used in this Resolution and not otherwise defined shall have the meaning given in Exhibit "A" to this Resolution attached hereto and made a part hereof;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF Regents of STEPHEN F. AUSTIN STATE UNIVERSITY:

Section 1. REVENUE FINANCING SYSTEM AND ISSUANCE OF PARITY OBLIGATIONS. In the Prior Resolutions, the Stephen F. Austin State University Revenue Financing System (the "Financing System") has been established and confirmed, for the purpose of providing a financing structure for revenue supported indebtedness to provide funds to acquire, purchase, construct, improve, renovate, enlarge or equip property, buildings, structures, facilities, roads or related infrastructure at the University, as well as at any institution, branch or entity hereafter placed under the control and governance of the Board, under authority of the pertinent provisions of the Texas Education Code.

Section 2. SECURITY AND PLEDGE. (a) Pledge. Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations, Parity Obligations shall be secured by and payable from a lien on the Pledged Revenues, and the Board hereby assigns and pledges the Pledged Revenues to the payment of the principal of, premium, if any, and interest on Parity Obligations, and the Pledged Revenues are further pledged to the establishment and maintenance of any funds which may be provided to secure the repayment of Parity Obligations in accordance with this Resolution. The Board may execute and deliver one or more Credit Agreements to additionally secure Parity Obligations. Credit Agreements may also be secured by a pledge of Pledged Revenues on a parity with or subordinate to Parity Obligations.

(b) Additional Participants. As provided in Section 7 of this Resolution, institutions which may hereafter come under the control and governance of the Board may become Participants in the Financing System and such institutions may, at such time, have outstanding obligations secured by the Prior Encumbered Revenues and that, therefore, the lien on and pledge of the Pledged Revenues established pursuant to this Resolution and effective when such institutions become Participants in the Financing System will be subject and subordinate only to such institutions' outstanding Prior Encumbered Obligations.

(c) Restriction on Issuance of Additional Debt on a Parity with Prior Encumbered Obligations. Except as provided in Section 4(g) and for so long as any Parity Obligations are Outstanding, no additional bonds, notes, or other obligations may be issued or incurred by the Board on a parity with any Prior Encumbered Obligations.

(d) Parity Obligations are Special Obligations. All Parity Obligations and the premium, if any, and the interest thereon shall constitute special obligations of the Board payable from the Pledged Revenues, and the owners thereof shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than the source specified in this Resolution. The obligation of the Board to pay or cause to be paid the amounts payable under this Resolution out of the Pledged Revenues shall be absolute, irrevocable, complete, and unconditional, and the amount, manner, and time of payment of such amounts shall not be
decreased, abated, rebated, set-off, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever, regardless of any right of setoff, recoupment, or counterclaim that the Board might otherwise have against any owner or any other party and regardless of any contingency, *force majeure*, event, or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during, or after the issuance of Parity Obligations while any Parity Obligations are Outstanding.

**Section 3. COVENANTS RELATING TO PLEDGED REVENUES.** (a) *Rate Covenant.* In each Fiscal Year, the Board shall establish, charge, and use its reasonable efforts to collect at each Participant the Pledged Revenues which, if collected, would be sufficient to meet all financial obligations of the Board for such Fiscal Year relating to the Financing System including all deposits or payments due on or with respect to (i) the Prior Encumbered Obligations and (ii) all Outstanding Parity Obligations.

(b) *Tuition.* Subject to the provisions of the resolutions authorizing Prior Encumbered Obligations and to the other provisions of this Resolution, the Board covenants and agrees to fix, levy, charge and collect at each Participant student tuition charges required or authorized by law to be imposed on students enrolled at each Participant (excepting, with respect to each series or issue of Parity Obligations, any student in a category which, at the time of adoption of a resolution relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition charges). Each student (excluding those exempt from payment as provided above), enrolled at each Participant, respectively, at each regular fall and spring semester and at each term of each summer session, shall pay tuition charges in such amounts, without any limitation whatsoever, as will be sufficient at all times, together with other legally available funds, including other Pledged Revenues, to provide the money to make or pay the principal of, interest on, and other payments or deposits with respect to Outstanding Parity Obligations when and as required. All changes in the tuition charged students at each Participant shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

(c) *Student Center Fees.* Subject to the provisions of the resolution authorizing the Series 2004 Bonds, the Board covenants and agrees to fix, levy, charge and collect student center fees required or authorized by law to be imposed on students pursuant to Section 54.520 of the Texas Education Code for the purpose of paying debt service on the Series 2004 Bonds; provided however, that such student center fees shall be used only for the purpose of acquiring, constructing, renovating, operating, maintaining, improving, equipping and financing a university center or additions to the center. All references to Series 2004 Bonds in this subsection shall include any applicable Parity Obligations issued to refund such Series 2004 Bonds.

(d) *Student Recreational Sport Fees.* Subject to the provisions of the resolution authorizing the Series 2005A Bonds, the Board covenants and agrees to fix, levy, charge and collect student recreational sport fees required or authorized by law to be imposed on students pursuant to Section 54.5201 of the Texas Education Code for the purpose of paying debt service on the Series 2005A Bonds; provided however, that such student recreational sport fees shall be used only to purchase equipment for and to construct, operate and maintain recreational sports...
facilities and programs. All references to Series 2005A Bonds in this subsection shall include any applicable Parity Obligations issued to refund such Series 2005A Bonds.

(e) **Anticipated Deficit.** If the Board determines, for any reason whatsoever, that there are not anticipated to be legally available funds, including Pledged Revenues, sufficient to meet all financial obligations of the Board relating to the Financing System including the deposits and payments due on or with respect to Outstanding Parity Obligations as the same mature or come due, or that any Participant in the Financing System will be unable to pay its Annual Direct Obligation in full, then the Board shall fix, levy, charge, and collect such rentals, rates, fees, tuition, or other charges at each Participant in the Financing System with enrolled students, effective at the next succeeding regular semester or semesters or summer term or terms, in such amounts, without any limitation whatsoever (other than as provided in subsection (f) below), as will be at least sufficient to provide, together with other legally available funds, including Pledged Revenues, the money for making when due all financial obligations of the Board relating to the Financing System including all payments and deposits due on or with respect to Outstanding Parity Obligations when and as required by this Resolution.

(f) **Economic Effect of Adjustments.** Any adjustments in the rate or manner of charging for any rentals, rates, fees, tuition, or other charges included in Pledged Revenues at any Participant in the Financing System resulting from an event described in subsection (e) above will be based upon a certificate and recommendation of the Designated Financial Officer, delivered to the Board, as to the rates and anticipated collection of the Pledged Revenues at each Participant in the Financing System (after taking into account the anticipated effect the proposed adjustments in such rentals, rates, fees, tuition, or other charges would have on enrollment and the receipt of Pledged Revenues and other funds at each Participant in the Financing System) which will be anticipated to result in (i) Pledged Revenues attributable to each Participant being sufficient (to the extent possible) to satisfy the Annual Obligation of such Participant and (ii) Pledged Revenues being sufficient, together with other legally available funds, to meet all financial obligations of the Board relating to the Financing System including all deposits and payments due on or with respect to (A) the Prior Encumbered Obligations and (B) all Outstanding Parity Obligations, when and as required by this Resolution.

(g) **Annual Obligation.** If, in the judgment of the Board, any Participant in the Financing System has been or will be unable to satisfy its Annual Obligation, the Board shall fix, levy, charge, and collect rentals, rates, fees, and charges for goods and services furnished by such Participant and, with respect to Participants with enrolled students, tuition, effective at the next succeeding regular semester or semesters or summer term or terms, in amounts sufficient, without limit (subject to the provisions of (e) and (d) above, respectively), together with other legally available funds, including other Pledged Revenues attributable thereto, to enable it to make its Annual Obligation payments.

(h) **Additional Participants.** The Board hereby agrees to apply the covenants hereinabove made to any institution, branch or entity hereinafter placed under the control and governance of the Board and added as a Participant in the Financing System in accordance with the provisions of Section 7 hereof.
Section 4. GENERAL COVENANTS. The Board further represents, covenants, and agrees that while any Parity Obligations or interest thereon is Outstanding:

(a) Payment of Parity Obligations. On or before each payment date it shall make available to the Paying Agent for such Parity Obligations or to such other party as required by the resolution authorizing the sale of such Parity Obligations, money sufficient to pay the interest on, principal of, and premium, if any, on the Parity Obligations as will accrue or otherwise come due or mature, or be subject to mandatory redemption prior to maturity, on such date and the fees and expenses related to the Parity Obligations, including the fees and expenses of the Paying Agent and any Registrar, trustee, remarketing agent, tender agent, or Credit Provider.

(b) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, and in each and every Parity Obligation or evidence thereof.

(c) Redemption. It will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Parity Obligations which by their terms are mandatorily required to be redeemed prior to maturity, when and as so required.

(d) Lawful Title. It lawfully owns, has title to, or is lawfully possessed of the lands, buildings, and facilities now constituting the University, and it will defend said title and title to any lands, buildings, and facilities which may hereafter become part of the Financing System, for the benefit of the owners of Parity Obligations against the claims and demands of all persons whomsoever.

(e) Lawful Authority. It is lawfully qualified to pledge the Pledged Revenues herein pledged in the manner prescribed herein and has lawfully exercised such right.

(f) Preservation of Lien. Subject to the conditions set forth in Sections 5, 6, and 7 of this Resolution, it will not do or suffer any act or thing whereby the Financing System might or could be impaired, and that it will at all times maintain, preserve, and keep the real and tangible property of the Financing System and every part thereof in good condition, repair, and working order and operate, maintain, preserve, and keep the facilities, buildings, structures, and equipment pertaining thereto in good condition, repair, and working order.

(g) No Additional Encumbrance. It shall not incur additional Debt secured by the Pledged Revenues in any manner, except as permitted by this Resolution in connection with Parity Obligations, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution. Notwithstanding anything to the contrary contained herein, and in addition to the right hereunder to refund the Prior Encumbered Obligations with Parity Obligations, the Board reserves the right to issue obligations to refund any Prior Encumbered Obligations and to secure the refunding obligations with the same source or sources securing the Prior Encumbered Obligations being refunded. Upon the defeasance of the refunded Prior Encumbered Obligations, the refunding obligations will be Prior Encumbered Obligations (unless the refunding obligations are made Parity Obligations in accordance with the terms of this Resolution and the resolution authorizing their issuance) under this Resolution for all purposes.
(h) **Investments and Security.** It will invest and secure money in all accounts and funds established pursuant to this Resolution in the manner prescribed by law for such funds, including, but not by way of limitation, the Public Funds Investment Act (Chapter 2256, Texas Government Code), Chapter 163, Texas Property Code, and Section 51.0031, Texas Education Code, and in accordance with written policies adopted by the Board.

(i) **Records.** It will keep proper books of record and account in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the University. Each year while Parity Obligations are Outstanding, the Board will cause to be prepared from such books of record and account an annual financial report of the University and shall furnish such report to the principal municipal bond rating agencies and to any owner of Parity Obligations who shall request same. In addition, the Board shall submit such financial report and other information required by law for examination in connection with financial compliance and other audits required to be conducted by the office of the Auditor of the State of Texas.

(j) **Inspection of Books.** It will permit any owner or owners of twenty-five percent (25%) or more of the then Outstanding Principal Amount at all reasonable times to inspect all records, accounts, and data of the Board relating to the University and the Financing System.

(k) **Annual and Direct Obligations.** In establishing the annual budget for each Participant in the Financing System, it shall provide for the satisfaction by each Participant in the Financing System of its Annual Obligation. The Direct Obligation shall represent the financial responsibility of each Participant in the Financing System with respect to Outstanding Parity Obligations. Each such Participant’s Direct Obligation and Annual Obligation shall be evidenced by a financing agreement between the Board and each Participant.

(l) **Determination of Outstanding Parity Obligations.** For all purposes of this Resolution, the judgment of the chief financial officer of the University, presently the Vice President for Finance and Administration, shall be deemed final in the determination of which obligations of the Board constitute Parity Obligations; provided, however, such judgment is subject to confirmation by the Auditor of the State of Texas in connection with the annual audit of the records of the University.

(m) **Execution of Credit Agreements.** (i) Should the Board determine that it is in the best interests of the University to obtain a Credit Agreement to enhance the security for or provide for the payment, redemption or remarketing of Parity Obligations, the Board, upon approval of the Attorney General, may from time to time and at any time execute and deliver a Credit Agreement to which the Pledged Revenues are to be pledged. Prior to the Board adopting any resolution authorizing the execution and delivery of any such Credit Agreement, it shall receive from the University an Officer’s Certificate to the effect that (i) the Board has determined that the Participant for whom the Credit Agreement is to be executed and delivered possesses the financial capability to satisfy its Direct Obligation after taking into account the payment obligations under the proposed Credit Agreement, and (ii) to the best of his or her knowledge, the Board is in compliance with all covenants contained in this Resolution and any resolution adopted authorizing the issuance
of Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

(ii) The lien on and pledge of Pledged Revenues to pay the cost of any such credit agreement may be on a parity with, but not superior to, the lien on and pledge of the Pledged Revenues securing the Parity Obligations.

Section 5. ISSUANCE OF ADDITIONAL OBLIGATIONS. (a) Parity Obligations. The Board reserves and shall have the right and power to issue or incur, Parity Obligations for any purpose authorized by law pursuant to the provisions of this Resolution and the applicable laws of the State of Texas governing the issuance of bonds for the benefit of each Participant (currently the University) in the Financing System. The Board may incur, assume, guarantee, or otherwise become liable in respect of any Parity Obligations if the Board shall have determined that it will have sufficient funds to meet the financial obligations of each Participant (currently the University) in the Financing System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System. In addition, the Board shall not issue or incur Parity Obligations unless (i) the Board shall determine that the Participant for whom the Parity Obligations are being issued or incurred possesses the financial capability to satisfy its Direct Obligation after taking into account the then proposed Parity Obligations, and (ii) a Designated Financial Officer shall deliver to the Board a certificate stating that, to the best of his or her knowledge, the Board is in compliance with all covenants contained in this Resolution and any resolution adopted authorizing the issuance of Parity Obligations, and is not in default in the performance and observance of any of the terms, provisions, and conditions hereof or thereof.

(b) Non-Recourse Debt and Subordinated Debt. Non-Recourse Debt and Subordinated Debt may be incurred by the Board without limitation, subject to the applicable laws of the State of Texas.

Section 6. DISPOSITION OF ASSETS ATTRIBUTABLE TO FINANCING SYSTEM PARTICIPANTS. The Board may convey, sell, or otherwise dispose of any properties of each Participant (currently the University) in the Financing System provided:

(a) Ordinary Course. Such conveyance, sale, or disposition shall be in the ordinary course of business of such Participant which uses, operates, owns, or is otherwise responsible for such properties; or

(b) Disposition Upon Board Determination. The Board shall determine that after the conveyance, sale, or other disposition of such properties, the Board shall have sufficient funds during each Fiscal Year during which Parity Obligations are to be Outstanding to meet the financial obligations of each Participant in the Financing System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System.

Section 7. COMBINATION, DIVISION, RELEASE AND ADMISSION OF NEW INSTITUTIONS UNDER THE FINANCING SYSTEM. (a) Combination and
Division. Notwithstanding anything to the contrary contained herein, it is recognized that certain institutions which may become Participants in the Financing System may be combined or divided and that so long as such combined or divided institutions continue to be governed by the Board such action shall not be in violation of the provisions of this Resolution or require any amendments of the provisions hereof.

(b) Release. Subject to the conditions set forth below, any Participant in the Financing System or portion thereof may be closed and abandoned by law or may be removed from the Financing System (thus deleting the revenues, income, funds and balances attributable to said Participant or portion thereof from Pledged Revenues) without violating the terms of this Resolution provided:

(1) the Board approves and delivers an Officers' Certificate to the effect that, to the knowledge thereof, after the release of such Participant or portion thereof, the Board will have sufficient funds during each Fiscal Year in which Parity Obligations shall thereafter be Outstanding to meet the financial obligations of the Board, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Financing System and to meet all financial obligations of the Board relating to the Financing System; and

(2) the Board receives an Opinion of Counsel which shall state that such release will not affect the status for federal income tax purposes of interest on any Outstanding Parity Obligations and that all conditions precedent provided in this Resolution or any resolution hereafter adopted governing the issuance of Parity Obligations relating to such release have been complied with; and

(3) (A) if the Participant or portion thereof to be released from the Financing System is to remain under the governance and control of the Board, the Board must either (i) provide, from lawfully available funds, including Pledged Revenues attributable to said withdrawing Participant, for the payment or discharge of said Participant's Direct Obligation or (ii) pledge to the payment of Parity Obligation, additional resources not then pledged in an amount sufficient to satisfy such withdrawing Participant's Direct Obligation; or

(B) if the Participant or portion thereof to be released from the Financing System is to no longer be under the governance and control of the Board and remains in operation independent of the Board, the Board must enter into a binding obligation with the new governing body of the withdrawing institution or the portion thereof being withdrawn, obligating said governing body to make payments to the Board at the times and in the amounts equal to said Participant's Annual Obligation or to pay or discharge said Participant's Direct Obligation, or, in the case of a portion of a Participant being withdrawn, the proportion of the Participant's Annual Obligation or Direct Obligation, as the case may be, attributable to the withdrawing portion of the Participant.

(c) If, after the date of the adoption of this Resolution, the Board desires for an institution or agency governed by the Board to become a Participant of the Financing System, or
if the Board is required by law to assume the governance of an institution or agency, it may include 
said institution or agency in the Financing System with the effect set forth in this Resolution by 
the adoption of a resolution amending this Resolution.

Section 8. WAIVER OF CERTAIN COVENANTS. The Board may omit in any 
particular instance to comply with any covenant or condition set forth in Sections 3 through 7 
hereof if before or after the time for such compliance the Owners of the same percentage in 
principal amount of all Parity Obligations then Outstanding, the consent of which would be 
required to amend the provisions hereof to permit such noncompliance, shall either waive such 
compliance in such instance or generally waive compliance with such covenant or condition, but 
no such waiver shall extend to or affect such covenant or condition except to the extent so expressly 
waived and, until such waiver shall become effective, the obligations of the Board and the duties 
of the Board in respect to any such covenant or condition shall remain in full force and effect. For 
purposes of this Section, if a municipal bond insurance policy has been issued insuring the payment 
of any Outstanding Parity Obligations, the term Owner shall mean the company that has issued 
any such insurance policy or policies.

Section 9. AMOUNT, PURPOSE, AND DESIGNATION OF THE BONDS. (a) 
Amount and Designation. The Board’s bonds each entitled "BOARD OF REGENTS OF 
STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE FINANCING SYSTEM REVENUE 
BOND," are hereby authorized to be issued in one or more series and delivered in an aggregate 
maximum principal amount (determined without regard to premium or discount affecting the sale 
price) not to exceed $125,000,000. The title of the Bonds shall be designated by the year in which 
each Series is awarded pursuant to Section 10 below and in the event that another series of bonds 
is issued by the Board within a calendar year each Series within that year shall have a letter 
designation following the year. The authority of the Designated Financial Officer to execute and 
deliver an Award Certificate for each Series shall expire at 5:00 p.m. on October 30, 2019, such 
date being one year from the date of adoption of this Resolution. Bonds priced on or before 
October 30, 2019 may close after such date.

(b) Purpose. The Bonds of each Series are to be issued for the following purposes: (i) 
ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, 
ENLARGING, OR EQUIPPING UNIVERSITY PROPERTY, BUILDINGS, STRUCTURES, 
FACILITIES, ROADS, OR RELATED INFRASTRUCTURE, (ii) CAPITALIZING INTEREST 
ON ANY SERIES OF BONDS TO THE EXTENT PERMITTED BY TEXAS LAW AND AS 
DESIGNATED IN EACH AWARD CERTIFICATE AND (iii) PAYING THE COSTS OF 
ISSUANCE OF THE BONDS.

Section 10. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND 
TERMS OF BONDS. (a) Terms of Each Series of Bonds. The Bonds of each Series shall 
initially be issued, sold, and delivered hereunder as fully registered bonds, without interest 
coupons, numbered consecutively from R-1 upward (except the initial Bond of each Series 
delivered to the Attorney General of the State of Texas which shall be numbered T-1), payable to 
the respective initial registered owners thereof, or to the registered assignee or assignees of said 
bonds or any portion or portions thereof (in each case, the "Registered Owner"), in the 
denomination of $5,000 or any integral multiple thereof (an "Authorized Denomination"), each
Series maturing not later than October 15, 2053, serially or otherwise on the dates, in the years and in the principal amounts, respectively, dated, and as Taxable Bonds and/or Tax-Exempt Bonds as provided in Section 11, all as set forth in each Award Certificate of the Designated Financial Officer.

(b) **Award Certificate.** As authorized by Chapters 1371 and 1207 in the case of series of refunding bonds as determined by the Designated Financial Officer, Government Code, as amended, the Designated Financial Officer is hereby authorized, appointed, and designated to act on behalf of the Board in selling and delivering the Bonds of each Series and carrying out the other procedures specified in this Resolution, including determining and fixing the date of each Series of the Bonds, any additional or different designation or title by which each Series of the Bonds shall be known, the price at which each Series of the Bonds will be sold, the years in which each Series of the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of each Series of the Bonds, whether the Bonds are designated as Tax-Exempt Bonds and/or Taxable Bonds, the rate or rates of interest to be borne by each maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Board, as well as any mandatory sinking fund redemption provisions, the amount of capitalized interest, if any, for each Series of Bonds, establishing a reserve fund for the Bonds, if any, and all other matters relating to the issuance, sale, and delivery of the Bonds, all of which shall be specified in a certificate of the Designated Financial Officer delivered to the Secretary of the Board (the "Award Certificate"); provided that (i) the price to be paid for each Series of the Bonds shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest, if any, thereon from its date to its delivery and (ii) each Series of the Bonds shall not bear interest at a rate in excess of the maximum rate allowed by law.

It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to delivery of each Series (i) the Award Certificate has been executed and delivered as required by this Resolution and (ii) the particular Series of the Bonds have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371, Government Code, as amended.

Each Award Certificate is hereby incorporated in and made a part of this Resolution.

(c) **Sale of Each Series of Bonds.** To achieve advantageous borrowing costs for each Participant (currently the University) in the Financing System, each Series of the Bonds shall be sold on a negotiated, placement, competitive or direct bank loan basis as determined by the Designated Financial Officer in the Award Certificate. In determining whether to sell each Series of the Bonds by negotiated, placement, competitive or direct bank loan, the Designated Financial Officer shall take into account the financial condition of the State, the University and the Financing System, any material disclosure issues which might exist at the time, the market conditions expected at the time of the sale, the achievement of the HUB goals of the Board, and any other matters which, in the judgment of the Designated Financial Officer, might affect the net borrowing costs on each Series of the Bonds.
If the Designated Financial Officer determines that a Series of the Bonds should be sold at a competitive sale, the Designated Financial Officer shall cause to be prepared a notice of sale and official statement in such manner as the Designated Financial Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

If the Designated Financial Officer determines that a Series of the Bonds should be sold by a negotiated sale, direct bank loan or placement, the Designated Financial Officer shall designate the placement purchaser, loan purchaser or the senior managing underwriter for the Bonds and such additional investment banking firms as the Designated Financial Officer deems appropriate to assure that the Bonds are sold on the most advantageous terms to the Financing System. The Designated Financial Officer, acting for and on behalf of the Board, is authorized to enter into and carry out a Bond Purchase Contract or other agreement for the Bonds to be sold by negotiated sale or placement, with the Underwriter, loan purchaser or placement purchaser at such price, with and subject to such terms as determined by the Designated Financial Officer pursuant to Section 10(b) above. Each Bond Purchase Contract or other agreement shall be substantially in the form and substance previously approved by the Board in connection with the authorization of Previously Issued Parity Obligations with such changes as are acceptable to the Designated Financial Officer, including those covered by Section 24 or Section 33 and any provisions determined to be necessary by the Designated Financial Officer and Bond Counsel in the event that such Series of Bonds is being sold in a forward delivery transaction.

(d) **In General.** Each Series of the Bonds (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be Tax-Exempt Bonds and/or Taxable Bonds and (vi) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BOND set forth in Exhibit "B" to this Resolution and as determined by the Designated Financial Officer as provided herein, with such changes and additions as are required to be consistent with the terms and provisions shown in each Award Certificate.

Section 11. **INTEREST.** Each Series of the Bonds shall bear interest, calculated on the basis of a 360-day year composed of twelve 30-day months, from their date, until maturity or redemption, at the rates set forth in the Award Certificate. Each Series of Bonds shall be designated as Tax-Exempt Bonds and/or Taxable Bonds as set forth in the Award Certificate. Interest shall be payable to the registered owner of any such Bond in the manner provided and on the dates stated in the FORM OF BOND set forth in this Resolution and the Award Certificate.

Section 12. **REGISTRATION, TRANSFER, AND EXCHANGE; AUTHENTICATION; BOOK-ENTRY-ONLY SYSTEM.** (a) **Paying Agent/Registrar.** The Designated Financial Officer is authorized to select a Paying Agent/Registrar for the Bonds. The Designated Financial Officer is also authorized to enter into and carry out a Paying Agent/Registrar Agreement with the Paying Agent/Registrar with respect to the Bonds in substantially the form previously approved by the Board in connection with the authorization of Previously Issued Parity Obligations with such changes as are acceptable to the Designated Financial Officer.
(b) **Registration Books.** The Board shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar designated in the Paying Agent/Registrar Agreement (the "Designated Trust Office") books or records for the registration of the transfer, exchange, and replacement of the Bonds (the "Registration Books"), and the Paying Agent/Registrar is hereby appointed to serve as registrar and transfer agent to keep such books or records and make such registrations of transfers, exchanges, and replacements under such reasonable regulations as the Board and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, exchanges, and replacements as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Board shall have the right to inspect the Registration Books at the Designated Trust Office of the Paying Agent/Registrar during regular business hours, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(c) **Ownership of Bonds.** The entity in whose name any Bond shall be registered in the Registration Books at any time shall be deemed and treated as the absolute owner thereof for all purposes of this Resolution, whether such Bond shall be overdue, and, to the extent permitted by law, the Board and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) **Payment of Bonds and Interest.** The Paying Agent/Registrar shall further act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the University and the Paying Agent/Registrar with respect to the Bonds.

(e) **Authentication.** The Bonds initially issued and delivered pursuant to this Resolution shall be authenticated by the Paying Agent/Registrar by execution of the Paying Agent/Registrar's Authentication Certificate unless they have been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and on each substitute Bond issued in exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE (the "Authentication Certificate"). The Authentication Certificate shall be in the form set forth in the FORM OF BONDS.

(f) **Transfer, Exchange, or Replacement.** Each Bond issued and delivered pursuant to this Resolution, to the extent of the unpaid or unredeemed principal amount thereof, may, upon surrender of such Bond at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures
satisfactory to the Paying Agent/Registrar, may, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the appropriate form prescribed in the FORM OF BONDS set forth in this Resolution, in any Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall be of the same series and have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same series designation and maturity date, bearing interest at the same rate, and payable in the same manner, in Authorized Denominations at the request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same series designation and maturity date and bear interest at the same rate and payable in the same manner as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be exchanged or replaced. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Resolution there shall be printed an Authentication Certificate, in the form set forth in the FORM OF BONDS set forth in Exhibit "B" to this Resolution. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Authentication Certificate, and, except as provided in subsection (e) above, no such Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for transfer, exchange, or replacement. No additional orders or resolutions need be passed or adopted by the Board or any other body or person so as to accomplish the foregoing transfer, exchange, or replacement of any Bond or portion thereof as permitted or required by any provision of this Resolution shall constitute one of the Bonds for all purposes of this Resolution, and may again be exchanged or replaced. Pursuant to Chapter 1206, Texas Government Code, the duty of transfer, exchange, or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued pursuant to this Resolution. The Board shall pay the Paying Agent/Registrar's standard or customary fees and charges, if any, for transferring, and exchanging any Bond or any portion thereof, but the one requesting any such transfer and exchange shall pay any taxes or governmental charges required to be paid with respect thereto as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, exchange, or replacement of Bonds or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following interest payment date, or, (ii) with respect to any Bond or portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date. To the extent possible, any new Bond issued in an exchange, replacement, or transfer of a Bond will be delivered to the registered
owner or assignee of the registered owner not more than three business days after the receipt of the Bonds to be cancelled and the written request as described above.

(g) **Substitute Paying Agent/Registrar.** The Board covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the Board will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Board reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Board covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Board. Upon any change in the Paying Agent/Registrar, the Board promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(h) **Book-Entry-Only System.** The Bonds issued in exchange for the Bonds initially issued and delivered to the Purchaser shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC, and except as provided in subsection (i) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The Designated Financial Officer is authorized to take all actions necessary to obtain, complete and execute a "DTC Blanket Letter of Representations" in connection with utilizing the DTC Book-Entry-Only System.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Board and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary but to the extent permitted by law, the Board and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such
Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Board's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Board to make payments of principal, premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(i) **Successor Securities Depository; Transfers Outside Book-Entry-Only System.** In the event that the Board or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Board to DTC (as referred in subsection (h) above) or DTC determines to discontinue providing its services with respect to the Bonds, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

(j) **Payments to Cede & Co.** Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Board to DTC.

(k) **Notice of Redemption.** In addition to the method of providing a notice of redemption set forth in the FORM OF BONDS, the Paying Agent/Registrar shall give notice of redemption of Bonds by United States mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date to each registered securities depository and to any national information service that disseminates redemption notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositaries or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice.
The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the registered owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

Each notice of redemption, whether required in the FORM OF BONDS or in this Section, shall contain a description of the Bonds to be redeemed including the complete name of the Bonds, the Series, the date of issue, the interest rate, the maturity date, the CUSIP number, a reference to the principal amounts of each maturity called for redemption, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bonds may be redeemed, including a contact person and telephone number.

All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include a CUSIP number relating to each amount paid to such registered owner.

Section 13. FORM OF BONDS. The forms of the Bonds, including the form of the Authentication Certificate, the form of Assignment, the form of any statement of insurance with respect to the Bonds provided by a Bond Insurer, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, with respect to the Bonds initially issued and delivered to the Purchaser pursuant to this Resolution, shall be, respectively, substantially as set forth in Exhibit "B", with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

Section 14. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the Board contained in this Resolution shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing System and the Board to the full extent authorized or permitted by the Constitution and laws of the State of Texas. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board or agent or employee of the Board in the individual capacity thereof and neither the respective members of the Board, nor any officer thereof or of any participant shall be liable personally on Parity Obligations when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 15. SECURITY FOR THE BONDS. The Bonds are special obligations of the Board payable from and secured solely by the Pledged Revenues pursuant to this Resolution. The Pledged Revenues are hereby pledged, subject to the liens securing the Prior Encumbered Obligations, to the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable. The Board agrees to pay the principal of, premium, if any, and the interest on the Bonds when due, whether by reason of maturity or redemption.

Section 16. PAYMENTS. (a) Accrued Interest. Immediately after the delivery of the Bonds, the Board shall deposit any accrued interest received from the sale and delivery of the Bonds to the credit of a special account to be held to pay interest on such Bonds on the first interest payment date.
(b) **Debt Service Payments.** Semiannually on or before each principal or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date for the Bonds as specified in the Award Certificate, the Board shall make available to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the Board with an appropriate certificate of cancellation.

### Section 17. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS

(a) **Replacement Bonds.** In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same Series, principal amount, maturity, and interest rate, and in the same form, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) **Application for Replacement Bonds.** Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the Board and the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the Board and the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) **Payment in Lieu of Replacement.** Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Board, may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) **Charge for Issuing Replacement Bonds.** Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Board whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) **Authority for Issuing Replacement Bonds.** In accordance with Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without the necessity of further action by the Board or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the
form and manner and with the effect, as provided in Section 12(f) of this Resolution for Bonds issued in exchange and replacement for other Bonds.

Section 18. REMEDIES. Any owner of Parity Obligations in the event of default in connection with any covenant contained herein or in any resolution adopted hereafter authorizing the issuance of Parity Obligations, or default in the payment of said obligations, or of any interest due thereon, or other costs and expenses related thereto, may require the Board, their respective officials and employees, and any appropriate official of the State of Texas, to carry out, respect, or enforce the covenants and obligations of this Resolution by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction against the Board, their respective officials and employees, or any appropriate official of the State of Texas.

Section 19. DEFEASANCE OF OBLIGATIONS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer Outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or any other eligible bank or trust company then authorized by State law for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Board with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Resolution. Any money so deposited with the Paying Agent/Registrar or other eligible institution as provided in this Section may at the written discretion of the Board also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or other eligible institution pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board.

(c) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and
premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Board shall make proper arrangements to provide and pay for such services as required by this Resolution.

(d) Notwithstanding anything elsewhere in this Resolution, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or other eligible institution pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the Board retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of this Resolution, the Board may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

(f) In the event that the Board elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 20. AMENDMENT OF RESOLUTION. (a) Amendment Without Consent. This Resolution and the rights and obligations of the Board and of the owners of the Outstanding Parity Obligations may be modified or amended at any time without notice to or the consent of any owner of the Outstanding Parity Obligations, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Board contained in this Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Board in this Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Resolution, upon receipt by the Board of an opinion of Bond Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Resolution;

(iii) To supplement the security for the Parity Obligations, including, but not by way of limitation, to provide for the addition of new institutions and agencies to the Financing System or to clarify the provisions regarding the University as a Participant in the Financing System; provided, however, if the definition of Pledged Revenues is
amended in any manner which results in the pledge of additional resources, the terms of such amendment may limit the amount of such additional pledge and the manner, extent, and duration of such additional pledge all as set forth in such amendment;

(iv) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Obligations, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Board, materially adversely affect the interests of the owners of the Outstanding Parity Obligations;

(v) To make such changes, modifications or amendments as may be necessary or desirable, which shall not adversely affect the interests of the owners of the Outstanding Parity Obligations, in order, to the extent permitted by law, to facilitate the economic and practical utilization of Credit Agreements with respect to the Parity Obligations;

(vi) To make such other changes in the provisions hereof as the Board may deem necessary or desirable and which shall not, in the judgment of the Board, materially adversely affect the interests of the owners of Outstanding Parity Obligations; or

(vii) To make such changes or amendments as contemplated by Section 24(c) of this Resolution in order to comply with the Rule.

Notice of any such amendment may be published by the Board in the manner described in subsection (c) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

(b) Amendments With Consent. Subject to the other provisions of this Resolution, the owners of Outstanding Parity Obligations aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment to this Resolution, other than amendments described in subsection (a) of this Section, which may be deemed necessary or desirable by the Board; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the Outstanding Parity Obligations, the amendment of the terms and conditions in this Resolution so as to:

(1) Grant to the owners of any Outstanding Parity Obligations a priority over the owners of any other Outstanding Parity Obligations;

(2) Materially adversely affect the rights of the owners of less than all Parity Obligations then Outstanding;

(3) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment;

(4) Make any change in the maturity of the Outstanding Bonds;
(5) Reduce the rate of interest borne by Outstanding Bonds;

(6) Reduce the amount of the principal payable on Outstanding Bonds; or

(7) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment; or

(8) Adversely affect the tax exempt status of the interest on the Outstanding Bonds to the owners thereof.

(c) Notice. If at any time this Resolution is to be amended pursuant to the provisions of subsection (b) of this Section, the Board shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Registrar for the Parity Obligations for inspection by all owners of Parity Obligations. Such publication is not required, however, if the Board gives or causes to be given such notice in writing, by certified mail, to each owner of Parity Obligations. Such publication is not required with respect to amendments to this Resolution effected pursuant to the provisions of subsection (a) of this Section.

(d) Receipt of Consents. Whenever at any time not less than thirty (30) days, and within one year, from the date of the first publication of said notice or other service of written notice of the proposed amendment the Board shall receive an instrument or instruments executed by all of the owners or the owners of at least a majority in Outstanding Principal Amount, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the same form.

(e) Effect of Amendments. Upon the adoption of any resolution to amend this Resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Board and all the owners of then Outstanding Parity Obligations and all future Parity Obligations shall thereafter be determined, exercised, and enforced under this Resolution, as amended.

(f) Consent Irrevocable. Any consent given by any owner of Parity Obligations pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Parity Obligations during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar for such Parity Obligations and the Board, but such revocation shall not be
effective if the owners of a majority in Outstanding Principal Amount, prior to the attempted revocation, consented to and approved the amendment.

(g) Ownership. For the purpose of this Section, the ownership and other matters relating to all Parity Obligations shall be determined by the Registration Books maintained by the Registrar.

Section 21. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE TAX-EXEMPT BONDS. (a) Covenants. The Board covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of any Tax-Exempt Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Board covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of any Tax-Exempt Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of any Tax-Exempt Bonds or the projects financed therewith are so used, such amounts, whether or not received by the Board, with respect to such private business use, do not, under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on any Tax-Exempt Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of any Tax-Exempt Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of any Tax-Exempt Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in any Tax-Exempt Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in any Tax-Exempt Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;
(6) to refrain from using any portion of the proceeds of any Tax-Exempt Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of any Tax-Exempt Bonds, other than investment property acquired with --

(A) proceeds of any Tax-Exempt Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which any Tax-Exempt Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of any Tax-Exempt Bonds;

(7) to otherwise restrict the use of the proceeds of any Tax-Exempt Bonds or amounts treated as proceeds of any Tax-Exempt Bonds, as may be necessary, so that any Tax-Exempt Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of any Tax-Exempt Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of any Tax-Exempt Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of any Tax-Exempt Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after any Tax-Exempt Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. With respect to any Tax-Exempt Bonds, in order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Board for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. With respect to any Tax-Exempt Bonds, the Board understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of any Tax-Exempt Bonds. It is the understanding of the
Board that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to any Tax-Exempt Bonds, the Board will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on any Tax-Exempt Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to any Tax-Exempt Bonds, the Board agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on any Tax-Exempt Bonds under section 103 of the Code. In furtherance of such intention, the Board hereby authorizes and directs the Designated Financial Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Board, which may be permitted by the Code as are consistent with the purpose for the issuance of any Tax-Exempt Bonds. This Resolution is intended to satisfy the official intent requirements set forth in Section 1.150-2 of the Treasury Regulations.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The Board covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 9 of this Resolution (the “Project”) on its books and records in accordance with the requirements of the Internal Revenue Code. The Board recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Board recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of any Tax-Exempt Bonds, or (2) the date any Tax-Exempt Bonds are retired. The Board agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of any Tax-Exempt Bonds. For purposes hereof, the Board shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. If any Series of Bonds are issued as Tax-Exempt Bonds, the Board covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Board of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of any Tax-Exempt Bonds. For purpose of the foregoing, the Board may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of any Tax-Exempt Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Board shall not be obligated to comply with this covenant.
if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) **Taxable Bonds.** If any Series of Bonds are issued as Taxable Bonds, to the extent required by the Code and the regulations, it shall be the duty of the Paying Agent/Registrar to report to the Owners of any Taxable Bonds and the Internal Revenue Service (i) the amount of "reportable payments," if any, subject to back up withholding during each year and the amount of tax withheld, if any, with respect to the payments on any Taxable Bonds and (ii) the amount of interest or amount treated as interest, such as original issue discount, on any Taxable Bonds required to be included in the gross income of the owners thereof for federal income tax purposes.

It is the intention of the Board that any Taxable Bonds not be obligations described in section 103 of the Internal Revenue Code of 1986 interest on which is excludable from the gross income of the holders and in that regard the Board agrees not to file a form 8038-G, or any comparable information return relating to tax-exempt obligations, with the Internal Revenue Service.

**Section 24. CONTINUING DISCLOSURE UNDERTAKING.** (a) **Annual Reports.** To the extent that such financial information and operating data is reasonably obtainable under generally acceptable accounting principles applicable to the Board, as modified by the laws of the State of Texas and the rules and regulations of the Comptroller of Public Accounts of the State of Texas, the Board shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each Fiscal Year, financial information and operating data with respect to Board, as determined by the Designated Financial Officer at the time one or more series of the Bonds are sold. The Award Certificate shall specify the financial information and operating data to be provided pursuant to this Section. In the event that financial information and operating data of such general type is not reasonably available, financial information and operating data will be provided as prescribed by the applicable accounting principles and the governing laws, rules, and regulations applicable to the Board. The undertaking of the Board contained in the preceding sentence may be modified by the Designated Financial Officer in the Award Certificate upon advice of counsel. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, as may be modified in the Award Certificate, and (2) audited, if the Board commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided within 12 months after any such Fiscal Year end, then the Board shall provide unaudited financial statements within such 12-month period, in an electronic format as prescribed by the MSRB, and shall file audited financial statements when and if audited financial statements become available. If audited financial statements are not prepared for any Fiscal Year and audited financial statements are prepared with respect to the State of Texas for such Fiscal Year, the Board shall provide, or cause to be provided, the audited financial statements of the State of Texas for the applicable Fiscal Year to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of said Fiscal Year or as soon thereafter as such audited financial statements become available from the State Auditor of the State of Texas. Any such audited financial statements of the State of Texas so provided shall be prepared in accordance with generally accepted accounting principles for state governments, as such principles may be changed from time to time to comply with state law.
If the Board changes the Fiscal Year, the Board will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the Board otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this subsection may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this subsection shall be accompanied by identifying information as prescribed by the MSRB.

(b) **Event Notices.** The Board shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

A. Principal and interest payment delinquencies;

B. Non-payment related defaults, if material within the meaning of the federal securities laws;

C. Unscheduled draws on debt service reserves reflecting financial difficulties;

D. Unscheduled draws on credit enhancements reflecting financial difficulties;

E. Substitution of credit or liquidity providers, or their failure to perform;

F. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

G. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;

H. Bond calls, if material within the meaning of the federal securities laws and tender offers;

I. Defeasances;

J. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;

K. Rating changes;

L. Bankruptcy, insolvency, receivership or similar event of the Board;
M. The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material within the meaning of the federal securities laws; and

N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

If Bonds are issued after the effective date of any amendments to the required event notices, the Designated Financial Officer shall include such requirements in each Award Certificate.

The Board shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the Board to provide financial information or operating data in accordance with this subsection by the time required. All documents provided to the MSRB pursuant to this subsection shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The Board shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Board remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Board in any event will give the notice required by this Resolution of any Bond calls and defeasance that cause the Bonds to be no longer outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Board undertakes to provide only the financial information, operating data, financial statements, and notices that it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Board's financial results, condition, or prospects relating to the Financing System or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Board does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE BOARD BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE BOARD, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.
No default by the Board in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Should the Rule be amended to obligate the Board to make filings with or provide notices to entities other than the MSRB, the Board hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Board under federal and state securities laws.

The provisions of this Section may be amended by the Board from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Board, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (A) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (B) a person that is unaffiliated with the Board (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the Board so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Board may also amend or repeal the provisions of this continuing disclosure requirement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds.

Section 25. APPLICATION OF BOND PROCEEDS. (a) Proceeds. Proceeds from the sale of each Series of the Bonds shall, promptly upon receipt thereof, be applied by the Designated Financial Officer as follows:

(i) accrued interest, if any, for each Series of the Bonds shall be deposited as provided in Section 16;

(ii) an amount sufficient to accomplish the purposes of Section 9 shall be so applied; and

(iii) any proceeds from the sale of each Series of the Bonds remaining after the deposits provided for in clauses (i) and (ii) above, shall be applied to pay expenses arising in connection with the issuance of the Bonds.
Any sale proceeds of each Series of the Bonds remaining after making all deposits and payments provided for above shall be applied to the payment of interest on the Bonds.

(b) **Funds.** The Designated Financial Officer is hereby authorized to establish such funds, accounts and/or sub-accounts as necessary to administer any remaining proceeds of the Bonds after applying proceeds to the refunding of the refunded bonds, including for accrued interest and costs of issuance. Proceeds deposited into any such funds, accounts and/or sub-accounts shall remain therein until from time to time expended for the purposes described in this Resolution, and shall not be used for any other purposes whatsoever, except as otherwise provided below, and pending such expenditure, such moneys may be invested at the direction of the Designated Financial Officer or the designee thereof in eligible investments in accordance with the provisions of Section 4(h) of this Resolution. Interest earnings shall accrue to the respective funds, accounts and/or sub-accounts in which moneys are held and invested. The Board agrees that it shall pay costs of issuance incurred in connection with the issuance and delivery of the Bonds. The Board shall cause moneys on deposit in any such funds, accounts and/or sub-accounts representing accrued interest to be used to pay debt service on the Bonds as the same shall become due and payable.

**Section 26. DEFEASANCE AND REDEMPTION OF OUTSTANDING DEBT.**

The Board desires to authorize the use of certain lawfully available funds of the Board, as determined by the Designated Financial Officer, to defease and/or redeem, from time to time, certain outstanding Previously Issued Parity Obligations in accordance with the applicable defeasance and redemption provisions in the respective Prior Resolutions authorizing such debt. The Designated Financial Officer is hereby authorized to determine and retire, from time to time, the various portions of such outstanding Previously Issued Parity Obligations which are economically advantageous for Board to retire by the defeasance and/or redemption of such debt. The Designated Financial Officer is authorized to enter into one or more Escrow Agreements in substantially the standard form previously approved by the Board to accomplish such defeasances. In the event of such a defeasance, the Designated Financial Officer is authorized hereby to take such steps as may be necessary to purchase the escrowed securities identified in such Escrow Agreements on behalf of the Board and is authorized to create and fund the escrow funds contemplated by the Escrow Agreements through the use of the lawfully available funds of the Board. The Designated Financial Officer is authorized to call for redemption such Prior Encumbered Obligations and Previously Issued Parity Obligations to be redeemed pursuant to this section and is hereby authorized to provide and complete an appropriate Notice of Redemption to the paying agent(s) for such Previously Issued Parity Obligations upon the deposit with the Escrow Agent of such available funds and compliance with the conditions set forth in the Escrow Agreements.

Except as provided in the following sentence, the Board hereby (i) expressly reserves the right to call for redemption any Previously Issued Parity Obligations defeased pursuant to this section in accordance with the applicable redemption provisions contained in the resolution authorizing such debt, (ii) requires that the Designated Financial Officer give notice of the reservation of such right to the owners of such debt immediately following the making of the firm banking and financial arrangements for such defeasance and (iii) directs that notice of such reservation also be included in any Notice of Redemption authorized pursuant to this section.
Notwithstanding the foregoing sentence, the Designated Financial Officer, upon determining that doing so is in the best interest of the Board, may elect on behalf of the Board not to retain the right to call such Previously Issued Parity Obligations for redemption by choosing not to give the notices required in (ii) and (iii) of the foregoing sentence.

Section 27. RESOLUTION TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Board and the Owners from time to time of the Bonds and the pledge made in this Resolution by the Board and the covenants and agreements set forth in this Resolution to be performed by the Board shall be for the equal and proportionate benefit, security, and protection of all Owners, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Resolution.

Section 28. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements, or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

Section 29. PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Except as provided to the contrary in the FORM OF BONDS, whenever under the terms of this Resolution or the Bonds, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

Section 30. LIMITATION OF BENEFITS WITH RESPECT TO THE RESOLUTION. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Resolution or the Bonds is intended or should be construed to confer upon or give to any person other than the Board, the Owners, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Resolution or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Resolution and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the Board, the Owners, and the Paying Agent/Registrar as herein and therein provided.
Section 31. CUSTODY, APPROVAL, BOND COUNSEL'S OPINION, CUSIP NUMBERS, PREAMBLE AND INSURANCE. The Designated Financial Officer is hereby authorized to have control of the Bonds issued hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and approval by the Attorney General of the State of Texas. The Designated Financial Officer is hereby authorized, to the extent deemed necessary or advisable thereby, in the discretion thereof, to request that the Attorney General approve the Bonds as permitted by Chapter 1202, in which case the Designated Financial Officer also is authorized to request the Comptroller of Public Accounts register the Bonds, and to cause an appropriate legend reflecting such approval and registration to appear on the Bonds and the substitute Bonds. The approving legal opinion of Bond Counsel and the assigned CUSIP numbers may be printed on the Bonds and on any Bonds issued and delivered in exchange or replacement of any Bond, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. The preamble to this Resolution is hereby adopted and made a part of this Resolution for all purposes. If insurance is obtained on any of the Bonds, the Bonds shall bear, as appropriate and applicable, a legend concerning insurance as provided by the municipal bond insurance company issuing any such insurance.

Section 32. OFFICIAL STATEMENT. The Designated Financial Officer is authorized and directed to provide for and oversee the preparation of a preliminary and final official statement in connection with the issuance of the Bonds, and to approve such official statement and deem it final in compliance with the Rule and to provide it to the purchasers of the Bonds in compliance with such Rule.

Section 33. RESERVE FUNDS. The Board may establish a reserve fund, and/or any other fund or funds pursuant to any resolution authorizing the issuance of Parity Obligations, including with respect to the Bonds in the Award Certificate, for the purpose of paying or securing a particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited in said funds shall no longer constitute Pledged Revenues but shall be held solely for the benefit of the owners of the particular issue or series or group of issues or series of Parity Obligations for which such fund was established. Each such fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such fund from any other funds created for the benefit of any other Parity Obligations.

Section 34. FURTHER PROCEDURES. The Chair of the Board, the Designated Financial Officer, and all other officers, employees, and agents of the University, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Board, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, the sale and delivery of the Bonds and fixing all details in connection therewith, and to approve any Official Statement, or supplements thereto, in connection with the Bonds including any necessary filings with the Attorney General of Texas, the Texas Bond Review Board and any other necessary parties.
Section 35. **PAYMENT OF ATTORNEY GENERAL FEE.** The Board hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of each Series of the Bonds or (ii) $9,500 per Series, provided that such fee shall not be less than $750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Designated Financial Officer is hereby instructed to take the necessary measures to make this payment. The Board is also authorized to reimburse the appropriate funds for such payment from proceeds of the Bonds.

Section 36. **REPEAL OF CONFLICTING RESOLUTIONS.** All resolutions and all parts of any resolutions which are in conflict or inconsistent with this Resolution are hereby repealed and shall be of no further force or effect to the extent of such conflict or inconsistency.

Section 37. **PERFECTION OF PLEDGE.** Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted under Section 2 of this Resolution, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues under Section 2 of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Board agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 38. **BOND INSURANCE.** In connection with the sale of the Bonds, the Board may obtain municipal bond insurance policies from a municipal bond insurer (each a "Bond Insurer") to guarantee the full and complete payment required to be made by or on behalf of the Board on some or all of the Bonds as determined by the Designated Financial Officer. The Designated Financial Officer is hereby authorized to sign a commitment letter with the Insurer and to pay the premium for the bond insurance policies at the time of the delivery of the Bonds out of the proceeds of sale of the Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as he or she may deem appropriate. Printing on Bonds covered by the bond insurance policies a statement describing such insurance, in form and substance satisfactory to the Bond Insurer and the Designated Financial Officer, is hereby approved and authorized. The Award Certificate may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of the Bond Insurer(s), and any such provisions shall be read and interpreted as an integral part of this Resolution.

Section 39. **PUBLIC NOTICE.** It is hereby found and determined that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of their respective meetings at which this Resolution was adopted, and that this Resolution would be introduced and considered for adoption at said meetings; and that said meetings were open to the public, and public notice of the time, place, and purpose of said meetings was given, all as required by Chapter 551, Texas Government Code.
Section 40. REIMBURSEMENT. The Board expects to pay expenditures in connection with the purposes set forth in Section 9 of this Resolution prior to the issuance of one or more series of the Bonds. The Board finds, considers and declares that the reimbursement of the Board or Board related entities for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the Board and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues Bonds to accomplish the purposes set forth in Section 9 of this Resolution. All costs to be reimbursed pursuant hereto will be capital expenditures. No Series of Tax-Exempt Bonds will be issued by the Board in furtherance of reimbursement after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service. The foregoing notwithstanding, no Series of Tax-Exempt Bonds will be issued pursuant to this Resolution more than three years after the date any expenditure which is to be reimbursed is paid. Any reimbursement of Board related entities may include an interest component using market rates for investments similar to the Bonds and as approved by the Designated Financial Officer.
EXECUTED this 29th day of October, 2018.

____________________________________
Chair, Board of Regents

____________________________________
Secretary, Board of Regents
EXHIBIT A
DEFINITIONS

As used in this Resolution the following terms and expressions shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Annual Debt Service Requirements" means, for any Fiscal Year, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Board on such Debt, or be payable in respect of any required purchase of such Debt by the Board) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Board:

(1)  **Committed Take Out.** If the Board has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Debt is subject to required purchase, all under arrangements whereby the obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2)  **Balloon Debt.** If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Board) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(3)  **Consent Sinking Fund.** In the case of Balloon Debt (as defined in clause (2) above), if a Designated Financial Officer shall deliver to the Board an Officer's Certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such Officer's Certificate ending on or before the
Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Board has elected to apply the rule set forth in clause (2) above;

(4) **Prepaid Debt.** Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt;

(5) **Variable Rate.** As to any Parity Obligation that bears interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Board, either (1) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (2) an interest rate equal to the 30-year Tax-Exempt Revenue Bond Index (as most recently published in *The Bond Buyer*), shall be presumed to apply for all future dates, unless such index is no longer published in *The Bond Buyer*, in which case an index of tax-exempt revenue bonds with maturities of at least 20 years which is published in a newspaper or journal with national circulation may be used for this purpose. If two Series of Parity Obligations which bear interest at variable interest rates, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations;

(6) **Guarantee.** In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted if the Board does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the Board is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of Annual Debt Service Requirements with respect to such guarantee shall be made assuming that the Board will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Board no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;
(7) **Commercial Paper.** With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) **Credit Agreement Payments.** If the Board has entered into a Credit Agreement in connection with an issue of Debt, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Board or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Board or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"**Annual Direct Obligation**" means the amount budgeted each Fiscal Year by the Board with respect to each Participant in the Financing System to satisfy said Participant's proportion of debt service (calculated based on said Participant's Direct Obligation) due by the Board in such Fiscal Year on Outstanding Parity Obligations.

"**Annual Obligation**" means, with respect to each Participant in the Financing System and for each Fiscal Year, said Participant's Annual Direct Obligation plus the amount budgeted by the Board for such Fiscal Year to allow said Participant to retire its obligation for advances made to it by the Board in the management of the Financing System to satisfy part or all of a previous Annual Direct Obligation payment.

"**Authorized Denomination**" shall have the meaning ascribed to said term in Section 10 of this Resolution.

"**Award Certificate**" means each certificate executed by the Designated Financial Officer in connection with each Series of Bonds that establishes the terms of the series of Bonds issued pursuant to Section 10 of this Resolution.

"**Board**" means the Board of Regents of Stephen F. Austin State University, acting as the governing body of the University, or any successor thereto.

"**Bond Counsel**" means McCall, Parkhurst & Horton L.L.P., or such other firm of attorneys of nationally recognized standing in the field of law relating to municipal revenue bonds selected by the Board.

"**Bond Insurer**" means the provider of a municipal bond insurance policy for all or a portion of a Series of Bonds in accordance with Section 37 of this Resolution.
"Bondholder" or "Owner" means the registered owner of any Parity Obligation registered as to ownership and the holder of any Parity Obligation payable to bearer.

"Bonds" means one or more Series of the Bonds designated in Section 9 of this Resolution, and all substitute bonds exchanged therefor, and all other substitute and replacement bonds issued pursuant to this Resolution; and the term "Bond" means any of the Bonds.

"Business Day" means any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in The City of New York, New York or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

"Credit Agreement" means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations and on a parity therewith.

"Credit Provider" means any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository.

"DTC Participant" means the securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants.

"Debt" means all:

1. indebtedness incurred or assumed by the Board for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Board that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

2. all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Board, or that is in effect guaranteed, directly or indirectly, by the Board through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to
purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Board whether or not the Board has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Board, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Board in prior Fiscal Years.

"Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable state law in existence at the time of such defeasance that may be used to defease obligations such as the Bonds.

"Designated Financial Officer" means the Vice President for Finance and Administration of the University, or such other official of the University appointed by the Board to carry out the functions of the Vice President for Finance and Administration specified herein.

"Designated Trust Office" shall have the meaning ascribed to said term in Section 12(b) of this Resolution.

"Direct Obligation" means the proportionate share of Outstanding Parity Obligations attributable to and the responsibility of each Participant in the Financing System.
"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Fiscal Year" means the fiscal year of the Board which currently ends on August 31 of each year.

"Funded Debt" means all Parity Obligations that mature by their terms (in the absence of the exercise of any earlier right of demand), or are renewable at the option of the Board to a date, more than one year after the original creation, assumption, or guarantee of such Debt by the Board.

"IRS Code" or "Code" means the Internal Revenue Code of 1986, as amended.

"Maturity," when used with respect to any Debt, means the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"MSRB" means the Municipal Securities Rulemaking Board.

"Non-Recourse Debt" means any Debt secured by a lien (other than a lien on Pledged Revenues), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to any other property of the Board attributable to the Financing System; provided, however, that such Debt is being incurred in connection with the acquisition of property only, which property is not, at the time of such occurrence, owned by the Board and being used in the operations of a Participant.

"Officer's Certificate" means a certificate executed by the Designated Financial Officer.

"Opinion of Counsel" means a written opinion of counsel, which counsel shall be acceptable to the Board.

"Outstanding" when used with respect to Parity Obligations means, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any resolution hereafter adopted authorizing the issuance of Parity Obligations, except:

1. Parity Obligations theretofore cancelled and delivered to the Board or delivered to the Paying Agent or the Registrar for cancellation;

2. Parity Obligations deemed paid pursuant to the provisions of Section 19 of this Resolution or any comparable section of any resolution hereafter adopted authorizing the issuance of Parity Obligations;

3. Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Resolution; and
(4) Parity Obligations under which the obligations of the Board have been released, discharged, or extinguished in accordance with the terms thereof; provided, however, that, unless the same is acquired for purposes of cancellation, Parity Obligations owned by the Board shall be deemed to be Outstanding as though it was owned by any other owner.

"Outstanding Principal Amount" means, with respect to all Parity Obligations or to a series of Parity Obligations, the outstanding and unpaid principal amount of such Parity Obligations paying interest on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Obligations paying accrued, accreted, or compounded interest only at maturity as of any Record Date established by a Registrar in connection with a proposed amendment of this Resolution.

"Parity Obligations" means all Debt of the Board which may be issued or assumed in accordance with the terms of this Resolution and any resolution authorizing the issuance of Debt on a parity with the Bonds, secured by a pledge of the Pledged Revenues subject only to the liens securing Prior Encumbered Obligations. For purposes of this definition, the Previously Issued Parity Obligations and the Bonds constitute Parity Obligations.

"Participant in the Financing System" and "Participant" means each of the agencies, institutions and branches of the University and such agencies, institutions and branches hereafter designated by the Board to be a participant in the Financing System. Currently, the University is the only Participant in the Financing System.

"Paying Agent/Registrar", "Paying Agent" or "Registrar" means each of the agents (one or more) appointed pursuant to Section 12 of this Resolution, or any successor to any such agent.

"Pledged Revenues" means, subject to the provisions of the Prior Encumbered Obligations, the Revenue Funds, including all of the funds and balances now or hereafter lawfully available to the Board and derived from or attributable to any Participant of the Financing System which are lawfully available to the Board for payments on Parity Obligations; provided, however, that the following shall not be included in Pledged Revenues unless and to the extent set forth in a resolution authorizing the issuance of Parity Obligations: (a) amounts received by the University under Article VII, Section 17 of the Constitution of the State of Texas, including the income therefrom and any fund balances relating thereto; and (b) except to the extent so specifically appropriated, general revenue funds appropriated to the Board by the Legislature of the State of Texas.

"Previously Issued Parity Obligations" means the Parity Obligations previously issued by or on behalf of the Board payable from the same source as the Bonds that remain Outstanding.

"Prior Encumbered Obligations" means those outstanding bonds or other obligations of an institution which becomes a Participant of the Financing System after the date of adoption of this Resolution, which are secured by a lien on and pledge of the Prior Encumbered Revenues charged
and collected at such institution or agency, and any other bonds or other obligations secured by revenues which are hereafter designated by the Board as a Pledged Revenue.

"Prior Encumbered Revenues" means (i) the revenues pledged to the payment of Prior Encumbered Obligations of the University and (ii) the revenues of any revenue producing system or facility of an institution or agency which hereafter becomes a Participant of the Financing System and which are pledged to the payment of bonds or other obligations outstanding on the date such institution or agency becomes a Participant of the Financing System.

"Prior Resolutions" means the resolutions adopted by the Board authorizing the issuance of the Previously Issued Parity Obligations.

"Record Date" means, with respect to each Series of the Bonds, the business day of each month as set forth in the Award Certificate.

"Registration Books" means the books or records relating to the registration, payment, and transfer or exchange of the Bonds maintained by the Paying Agent/Registrar pursuant to Section 12 of this Resolution.

"Resolution" means this Resolution authorizing the sale of the Bonds.

"Revenue Financing System" or "Financing System" means the "Stephen F. Austin State University Revenue Financing System," currently for the benefit of the University, and such other institutions and agencies now or hereafter under the control or governance of the Board, and made a Participant of the Revenue Financing System by specific action of the Board.

"Revenue Funds" means the "revenue funds" of the Board (as defined in Section 55.01 of the Texas Education Code to mean the revenues, incomes, receipts, rentals, rates, charges, fees, grants, and tuition levied or collected from any public or private source by an institution of higher education, including interest or other income from those funds) derived by the Board from the operations of each of the Participants. The term "Revenue Funds" does not include, with respect to each series or issue of Parity Obligations, any tuition, rentals, rates, fees, or other charges attributable to any student in a category which, at the time of the adoption by the Board of a resolution relating to such Parity Obligations, is exempt by law or by the Board from paying such tuition, rentals, rates, fees, or other charges.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Series" means any designated series or subseries of Bonds issued pursuant to this Resolution.

"Series 2004 Bonds" means the Board of Regents of Stephen F. Austin State University Revenue Financing System, Texas Public Finance Authority Revenue Bonds, Series 2004, issued in the original aggregate principal amount of $26,030,000.

"Stated Maturity" when used with respect to any Debt or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Debt or such installment of interest as a fixed date on which the principal of such Debt or any installment thereof or the fixed date on which such installment of interest is due and payable.

"Subordinated Debt" means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Obligations then Outstanding or subsequently issued.

"Taxable Bonds" means each Series of Bonds bearing interest at a taxable rate.

"Tax-Exempt Bonds" means each Series of Bonds bearing interest which is excludable from gross income for federal taxation purposes pursuant to Section 103 of the IRS Code.

"Term of Issue" means with respect to any Balloon Debt, including, without limitation, commercial paper, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) twenty-five years.

"University" means Stephen F. Austin State University, together with every other agency or general academic institution or branch thereof now or hereafter operated by or under the jurisdiction of the Board acting for and on behalf of Stephen F. Austin State University pursuant to law.
EXHIBIT B
FORM OF BOND

UNITED STATES OF AMERICA
STATE OF TEXAS
BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY REVENUE
FINANCING SYSTEM REVENUE BONDS, SERIES 20__ *

<table>
<thead>
<tr>
<th>NO. R-</th>
<th>PRINCIPAL AMOUNT</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>INTEREST RATE*</th>
<th>MATURITY DATE</th>
<th>[BOND DATE]</th>
<th>[ISSUANCE DATE]*</th>
<th>CUSIP</th>
</tr>
</thead>
</table>

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the BOARD OF REGENTS OF
STEPHEN F. AUSTIN STATE UNIVERSITY (the "Board"), being an agency and political
subdivision of the State of Texas, hereby promises to pay to the Registered Owner, specified above,
or the registered assignee hereof (either being hereinafter called the "registered owner")
the principal amount, specified above, and to pay interest thereon, calculated on the basis of a 360-
day year composed of twelve 30-day months, from the [Bond Date][Issuance Date], specified
above, to the Maturity Date, specified above, at the interest rate per annum, specified above; with
interest being payable on __________*, and semiannually on each __________* and __________*
thereafter, except that if the date of authentication of this Bond is later than the first Record Date
(hereinafter defined), such principal amount shall bear interest from the interest payment date next
preceding the date of authentication, unless such date of authentication is after any Record Date
but on or before the next following interest payment date, in which case such principal amount
shall bear interest from such next following interest payment date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of
the United States of America, without exchange or collection charges, solely from funds of the
Board required by the resolution authorizing the issuance of the Bonds to be on deposit with the
Paying Agent/Registrar for such purpose as hereinafter provided. The principal of this Bond shall
be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity at

* As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.
the designated corporate trust office in __________®, Texas (the "Designated Trust Office") of __________®, which is the initial "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at the address of the registered owner, as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described; provided, that upon the written request of any owner of not less than $1,000,000 in principal amount of Bonds provided to the Paying Agent/Registrar not later than the Record Date immediately preceding an interest payment date, interest due on such Bonds on such interest payment date shall be made by wire transfer to any designated account within the United States of America. In addition, interest may be paid by such other method acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner hereof. The Bond Resolution (hereinafter defined) contains covenants for the benefit of the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond, the amounts required to provide for the payment, when due, in immediately available funds, of all principal of and interest on the Bonds will be made available to the Paying Agent/Registrar. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the Board and the securities depository. All Bonds of this Series are issuable solely as fully registered bonds, without interest coupons in the denomination of any integral multiple of $5,000 (an "Authorized Denomination"). Terms used herein and not otherwise defined have the meaning given in the Bond Resolution (hereinafter defined).

**THIS BOND** is one of a Series of Bonds, dated as of __________, 201_®, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of $________®, issued pursuant to a resolution adopted by the Board on October 30, 2018, (the "Bond Resolution"), FOR THE PURPOSE OF (i) ACQUIRING, PURCHASING, CONSTRUCTING, IMPROVING, RENOVATING, ENLARGING, OR EQUIPPING UNIVERSITY PROPERTY, BUILDINGS, STRUCTURES, FACILITIES, ROADS, OR RELATED INFRASTRUCTURE, (ii) CAPITALIZING INTEREST ON ANY SERIES OF BONDS TO THE EXTENT PERMITTED BY TEXAS LAW AND AS DESIGNATED IN EACH AWARD CERTIFICATE AND (iii) PAYING THE COSTS OF ISSUANCE OF THE BONDS.

ON __________, 20__®, or on any date thereafter, the Bonds of this Series maturing on and after __________, 20__® may be redeemed prior to their scheduled maturities, by the Board, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Board, and if less than all of a maturity is to be redeemed the Registrar shall determine by lot the Bonds, or portions thereof within such maturity to be

---

*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.
redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of $5,000 of principal amount); provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and such interest rate shall be selected in accordance with the arrangements between the Board and the securities depository.

THE BONDS maturing on __________, 20___* are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date:

<table>
<thead>
<tr>
<th>Bonds Maturing _______<em><strong>, 20</strong></em>*</th>
<th>Redemption Date</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>_______<em><strong>, 20</strong></em></td>
<td>$__________</td>
<td></td>
</tr>
<tr>
<td>_______<em><strong>, 20</strong></em></td>
<td>$__________</td>
<td></td>
</tr>
</tbody>
</table>

* Final Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Board by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the Board, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Board at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

AT LEAST 30 calendar days prior to the date fixed for any optional redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to (i) the registered owner of each Bond to be redeemed at its address as it appeared on the Registration Books on the 45th calendar day prior to such redemption date and (ii) major securities depositories and bond information services. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions for which such payment is made, all as provided above. If such written notice of redemption is effected and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the

*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.
registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any authorized denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Board, all as provided in the Bond Resolution.

WITH RESPECT TO any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Board, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Board shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city of New York, New York, or in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND OR ANY PORTION OR PORTIONS HEREOF IN ANY AUTHORIZED DENOMINATION may be assigned and shall be transferred only in the Registration Books kept by the Paying Agent/Registrar acting in the capacity of registrar for the Bonds, upon the terms and conditions set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond shall be executed by the registered owner or its duly authorized attorney or representative, to evidence the assignment hereof. A new Bond or Bonds payable to such assignee or assignees (which then will be the new registered owner or owners of such new Bond or Bonds), or to the previous registered owner in the case of the assignment and transfer of only a portion of this Bond, may be delivered by the Paying Agent/Registrar in exchange for this Bond, all in the form and manner as provided in the next paragraph hereof for the exchange of other Bonds. The Board shall pay the Paying Agent/Registrar's fees and charges, if any, for making such transfer or exchange as provided below, but the one requesting such transfer or exchange shall pay any taxes or other governmental charges...
required to be paid with respect thereto. The Paying Agent/Registrar shall not be required to make transfers of registration or exchange of this Bond or any portion hereof during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date. The registered owner of this Bond shall be deemed and treated by the Board and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and, to the extent permitted by law, the Board and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

AS PROVIDED IN THE BOND RESOLUTION, this Bond, or any unredeemed portion hereof, may, at the request of the registered owner or the assignee or assignees hereof, be exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, in the same form, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Resolution.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering, or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Board, resigns, or otherwise ceases to act as such, the Board has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Series of Bonds of which this Bond is one constitute Parity Obligations under the Bond Resolution; and that the interest on and principal of this Bond, together with the other Bonds of this Series and the other outstanding Parity Obligations are equally and ratably secured by and payable from a lien on and pledge of the Pledged Revenues, subject only to the provisions of, and the lien on and pledge of certain Pledged Revenues to, the Prior Encumbered Obligations.

THE BOARD has reserved the right, subject to the restrictions referred to in the Bond Resolution, (i) to issue additional Parity Obligations which also may be secured by and made payable from a lien on and pledge of the aforesaid Pledged Revenues, in the same manner and to the same extent as this Bond, and (ii) to amend the provisions of the Bond Resolution under the conditions provided in the Bond Resolution.
NEITHER THE State of Texas, the Board, nor any other agency, political corporation, or political subdivision of the State of Texas is obligated to pay the principal of or interest on the Bonds, other than as provided herein and in the Bond Resolution. Neither the faith and credit nor the taxing power of the State of Texas, nor any agency, political corporation or political subdivision of the State of Texas is pledged to the payment of the principal of or interest on the Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the Board, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each registered owner hereof and the Board.

IN WITNESS WHEREOF, in accordance with the terms of the Bond Resolution, this Bond has been signed with the manual or facsimile signature of the Chair of the Board and countersigned with the manual or facsimile signature of the Secretary of the Board, and the official seal of Stephen F. Austin State University has been duly impressed, or placed in facsimile, on this Bond.

_______________________________
Secretary, Board of Regents of
Stephen F. Austin State University

_______________________________
Chair, Board of Regents of
Stephen F. Austin State University

(BOARD SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

_______________________________
Paying Agent/Registrar

Dated:

_______________________________
FORM OF ASSIGNMENT

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT--

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

Please insert Social Security or Other Identification Number of Assignee

/______________________________/ (Name and Address of Assignee)

the within Bond and does hereby irrevocably constitutes and appoints _______________________
to transfer said Bond on the books kept for registration thereof with full power of substitution in
the premises.

Dated: ____________________

Signature Guaranteed:________________________________________
NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by the Securities Transfer Association signature guarantee program.

FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS TO ACCOMPANY THE INITIAL BOND

COMPTROLLER'S REGISTRATION CERTIFICATE

REGISTER NO. ________

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

INSERTIONS FOR THE INITIAL BOND

The initial Bond shall be in the form set forth in this Exhibit, except that:

A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"ON THE MATURITY DATE SPECIFIED ABOVE, the BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY (the "Board"), being an agency and political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on __________* in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:
The Board promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from __________, 20___ at the respective Interest Rate per annum specified above. Interest is payable on __________, 20___ and semiannually on each __________ and __________ thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The initial Bond shall be numbered "T-1"

---

*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.
EXHIBIT C

DESCRIPTION OF ACCOUNTING PRINCIPLES

The financial statements of Stephen F. Austin University will be prepared in accordance with the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements, and follow to the extent practical, the AICPA Industry Audit Guide Audits of Colleges and Universities, 1973, as amended by AICPA Statement of Position (SOP) 74-8, Financial Accounting and Reporting by Colleges and Universities, or such other accounting principles as the Board may be required to employ from time to time pursuant to state law or regulation.
A RESOLUTION OF THE BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY AUTHORIZING SOLICITATION OF PROPOSALS TO OBTAIN SHORT-TERM CONSTRUCTION FINANCING

WHEREAS, the Board of Regents of Stephen F. Austin State University (the "University") is in the process of planning for the construction of a Fine Arts Expansion Initiative, Basketball Practice Facility, Welcome Center and One Stop Shop, and Residence Hall and Dining Facilities (collectively, the "Projects"); and

WHEREAS, in order to lower overall financing costs, to provide cash management flexibility and to ensure bonds are not issued earlier than necessary, the Vice President for Finance and Administration may consider obtaining a short-term construction loan in connection with financing a portion of the Projects;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF REGENTS OF STEPHEN F. AUSTIN STATE UNIVERSITY AS FOLLOWS:

Section 1. Authorization and Appointment of Authorized Representative. The Vice President for Finance and Administration of the University is hereby designated to act as an authorized representative of the University for purposes of soliciting proposals and negotiating terms for a short-term construction loan. The financing institution, terms and pricing of any such short-term construction loan will be presented to the Board of Regents for further approval.

Section 2. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 3. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 4. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.
EXECUTED this 29th day of October, 2018.

_______________________________
Chair, Board of Regents

_______________________________
Secretary, Board of Regents
## COURSE FEE DELETIONS
### FALL 2018

<table>
<thead>
<tr>
<th>Department</th>
<th>Course No.</th>
<th>Section</th>
<th>Course Title</th>
<th>Present</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Services</td>
<td>SPE 558</td>
<td>990-999</td>
<td>Practicum in Visual Impairment</td>
<td>$300</td>
<td>$0</td>
</tr>
<tr>
<td>Kinesiology and Health Science</td>
<td>KIN 276</td>
<td></td>
<td>Basic Climbing I</td>
<td>$25</td>
<td>$0</td>
</tr>
<tr>
<td>Kinesiology and Health Science</td>
<td>KIN 115</td>
<td></td>
<td>Bowling</td>
<td>$30</td>
<td>$0</td>
</tr>
</tbody>
</table>
Grants awarded between June 1 and September 21, 2018

Summary Report – Fiscal Year 2018

Amounts allocable to FY18 (detailed in this report)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Federal</td>
<td>$16,654</td>
</tr>
<tr>
<td>Federal Pass-through</td>
<td>$6,262</td>
</tr>
<tr>
<td>State and State Pass-through</td>
<td>$79,808</td>
</tr>
<tr>
<td>Private and Local Government</td>
<td>$10,760</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$113,484</strong></td>
</tr>
</tbody>
</table>

Cumulative amount allocable to FY18 $6,003,280

New awards (detailed in this report, all project years) $204,232

Cumulative award total, all project years $18,638,213

New, Additional, or Previously Unreported Awards for FY 2018

Direct Federal

Previously Described Awards:

Collaborative Research: Understanding Robert Noyce Teacher Scholarship Outcomes in Texas

Award Total: $49,962

Amount allocable to FY 2018: $16,654

Subtotal Current Year Awards (this report) = $16,654

Subtotal New Direct Federal Awards (total award) = $49,962

Federal Pass-through

Title: *The Opioid Epidemic: AIMS Grant Needs Assessment*

Sponsor: ETCHSI – East Texas Community Health Services, Inc.

CFDA 93.257

Award Term: June 1, 2018 – March 31, 2019

PIs/PDs: Dr. Mary Hawkins, Kinesiology & Health Science

Total Award: $12,000

Amount Allocated to FY 2019: $6,000

Project will include a needs assessment to identify substance abuse issues relevant to East Texas.

Previously Described Awards with Modification:

Special Education Consolidated Grant FY17 (IDEA-B)

Total Award: $26,244

Amount Allocated to FY 2018: *$262

Subtotal Current Year Awards (this report) = $6,262

Subtotal New Federal Pass-through Awards (total award) = $12,262

*New awards or additional funds added to a current award

*For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Grants awarded between June 1 and September 21, 2018

State and State Pass-through Awards
Title: *Advancing Inquiry in Middle Mathematics for Rural East Texas: Promoting Successful Postsecondary Pathways through Mathematics*
Sponsor: University of Texas - Tyler
Award Term: July 1, 2018 – July 31, 2020
PI/PD: Dr. Mark Montgomery, Elementary Education
Total Award: $124,047

Amount Allocable to FY 2018: $29,818
Research project to ascertain if intense and prolonged professional development for middle-school mathematics teachers in rural East Texas can positively impact future student enrollment and performance.

Previously Described Awards
*Control of Giant Salvinia (Salvinia molesta) with Endocide FY18*
Award Total: $49,990
Amount allocable to FY 2018: $49,990

Subtotal Current Year Awards (this report) = $79,808
Subtotal New State and State Pass-through Awards (total award) = $174,037

Private Entity and Local Government Awards
Title: *Evaluating Water Consumption, Performance Parameters, and Yield of Broilers Reared on Different Water Treatment Programs under a High Stocking Density and with or without Heat Stress*
Sponsor: ZINPRO Corp
Award Term: May 22, 2018 to October 31, 2018
PIs/PDs: Dr. Joey Bray, Poultry Research Center, Agriculture
Total Award: $17,933

Amount Allocable to FY 2018: $10,760
Research water and feed consumption of broilers in a commercial setting.

Subtotal Current Year Awards (this report) = $10,760
Subtotal New Private and Local Awards (total award) = $17,933

*New awards or additional funds added to a current award
1For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Grants awarded between June 1 and September 21, 2018

**Fiscal Year 2019 – as of September 21, 2018**

<table>
<thead>
<tr>
<th>Amounts allocable to FY19 (detailed in this report)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Federal</td>
<td>$ 375,216</td>
</tr>
<tr>
<td>Federal Pass-through</td>
<td>$ 51,958</td>
</tr>
<tr>
<td>State and State Pass-through</td>
<td>$ 2,724,175</td>
</tr>
<tr>
<td>Private and Local Government</td>
<td>$ 330,250</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 3,481,599</strong></td>
</tr>
</tbody>
</table>

| Cumulative amount allocable to FY19                | $ 3,481,599 |
| New awards (detailed in this report, all project years) | $ 1,183,194 |
| Cumulative award total, all project years          | $ 5,449,048 |

**New, Additional, or Previously Unreported Awards for FY 2019**

**Direct Federal**

**Title:** *Calculus and Virtual Reality (CalcVR)*  
**Sponsor:** National Science Foundation  
**Award #:** 1820724, CFDA 47.076  
**Award Term:** August 1, 2018 - July 31, 2021  
**PIs/PDs:** Dr. Nicholas Long, Mathematics and Statistics  
**Total Award:** $294,523  
**Amount Allocable to FY 2019:** $102,479

Grant funds will be used to develop an app to enhance math instruction for faculty and students by allowing students to interact with calculus continue in a virtual reality environment.

**Title:** *Collaborative Conference: Texas Undergraduate Mathematics Conference 2018-2019*  
**Sponsor:** National Science Foundation  
**Award #:** 1834888, CFDA 47.049  
**Award Term:** September 1, 2018 - August 31, 2020  
**PIs/PDs:** Dr. Nicholas Long, Mathematics and Statistics  
**Total Award:** $7,263  
**Amount Allocable to FY 2019:** $7,263

Provide opportunities for undergraduate students to present research in a formal setting.

**Previously Described Awards:**

**Science & Mathematics Attraction, Retention & Training for Texas (SMART Texas)**  
**Award Total:** $623,764  
**Amount allocable to FY 2019:** $155,893

**Collaborative Research: A Novel Control for Invasive Species: Modeling, Analysis, and the Effects of Cannibalism**  
**Award Total:** $179,995  
**Amount allocable to FY 2019:** $59,581

*New awards or additional funds added to a current award

¹For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Appendix 7

Grants awarded between and June 1 and September 21, 2018

**Examining Terrestrial Food-Web Structure in Managed and Unmanaged Shortleaf Pine Forests in East Texas**

| Award Total: | $54,000 | Amount allocable to FY 2019: | $50,000 |

Subtotal Federal Amounts Allocable to FY 2019 = $375,216
Subtotal New Federal Awards = $301,786

**Federal Pass-through**

Previously Described Awards

**REU Site: Undergraduate Research in Energy and Propulsion**

| Award Total: | $39,000 | Amount allocable to FY 2019: | $13,000 |

*Special Education Consolidate Grant FY18 (IDEA-B)*

| Total Award: | $32,958 | Amount Allocable to FY 2019: | $32,958 |

**The Opioid Epidemic: AIMS Grant Needs Assessment**

| Award Total: | $12,000 | Amount allocable to FY 2019: | $6,000 |

Subtotal Federal Pass-through Amounts Allocable to FY 2019 = $51,958
Subtotal New Federal Pass-through Awards = $32,958

**State and State Pass-through Awards**

**Title:** *Mathematics Co-Requisite Embedded Support Technique CSRM-2018)*

| Sponsor: | Texas Higher Education Coordinating Board |
| Award Term: | August 15, 2018 to August 31, 2020 |
| PI/PD: | Dr. Sarah Stovall, Mathematics and Statistics |
| Total Award: | $74,987 | Amount Allocable to FY 2019: | $74,987 |

Provide quality mathematics instruction for students who are not college ready in the discipline.

**Title:** *Grow Your Own Grant Pathway 3: Teacher Candidate Year-Long Clinical Teaching Assignment*

| Sponsor: | Texas Education Agency |
| Award Term: | April 13, 2018 to June 30, 2019 |
| PI/PD: | Dr. Christina Sinclair, College of Education |
| Total Award: | $47,000 | Amount Allocable to FY 2019: | $47,000 |

This grant provides support for two teacher candidate in their year-long clinical teaching assignment.

*New awards or additional funds added to a current award

1For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Grants\textsuperscript{1} awarded between June 1 and September 21, 2018

<table>
<thead>
<tr>
<th>Title: <em>Regional 60x30TX Targets</em></th>
<th>Sponsor: Texas Higher Education Coordinating Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award Term: August 13, 2018 to August 31, 2020</td>
<td>PI/PD: Dr. Marc Guidry, Academic Affairs</td>
</tr>
<tr>
<td>Total Award: $5,000</td>
<td>Amount Allocable to FY 2019: $5,000</td>
</tr>
</tbody>
</table>

Provide support to the state’s 60x30TX program in the Southeast Region.

**Previously Described Awards**

<table>
<thead>
<tr>
<th>Title: SFA Charter School (ADA, non-grant)</th>
<th>Sponsor: Texas Higher Education Coordinating Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award Term: August 13, 2018 to August 31, 2020</td>
<td>PI/PD: Dr. Marc Guidry, Academic Affairs</td>
</tr>
<tr>
<td>Total Award: $2,250,853</td>
<td>Amount allocable to FY 2019: $2,250,853</td>
</tr>
</tbody>
</table>

**Advancing Inquiry in Middle Mathematics for Rural East Texas: Promoting Successful Postsecondary Pathways through Mathematics**

| Award Total: $124,047 | Amount allocable to FY 2019: $47,114 |

**Texas AHEC East, Piney Woods Region, State FY19**

| Award Total: $100,285 | Amount allocable to FY 2019: $100,285 |

**Previously Described Awards with Modifications**

<table>
<thead>
<tr>
<th>Title: Child Welfare Professional Development Project FY17-21</th>
<th>Sponsor: Texas Higher Education Coordinating Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award Term: July 1, 2018 to June 30, 2021</td>
<td>PI/PD: Dr. Marc Guidry, Academic Affairs</td>
</tr>
<tr>
<td>Total Award: $501,042</td>
<td>Amount allocable to FY 2019: *$186,054</td>
</tr>
</tbody>
</table>

**Joint Admission Medical Program (JAMP) FY16-20**

| Award Total: $51,969 | Amount allocable to FY 2019: *$12,882 |

Subtotal State and State Pass-through Amounts Allocable to FY 2019 = $2,724,175

Subtotal New State and State Pass-through Awards = $426,208

**Private Entity and Local Government Awards**

<table>
<thead>
<tr>
<th>Title: <em>Nacogdoches County Community Collaborative</em></th>
<th>Sponsor: Hogg Foundation for Mental Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award Term: July 1, 2018 to June 30, 2021</td>
<td>PI/PD: Dr. Stephen Cooper, School of Social Work</td>
</tr>
<tr>
<td>Total Award: $410,000</td>
<td>Amount Allocable to FY 2019: $111,335</td>
</tr>
</tbody>
</table>

This appreciative inquiry research project seeks to develop a plan to enact sustainable change to ensure suitable mental health services are available to rural residents.

\*New awards or additional funds added to a current award

\textsuperscript{1}For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
Grants\(^1\) awarded between and June 1 and September 21, 2018

<table>
<thead>
<tr>
<th>Title</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Developing Endocide for Controlling Giant Salvinia in North and Central Louisiana</em></td>
<td></td>
</tr>
<tr>
<td>Sponsor</td>
<td>Community Foundation of North Louisiana</td>
</tr>
<tr>
<td>Award Term</td>
<td>June 1, 2018 to December 31, 2019</td>
</tr>
<tr>
<td>PIs/PDs</td>
<td>Dr. Shiyou Li, Pharmaceutical Crops</td>
</tr>
<tr>
<td>Total Award</td>
<td>$12,242</td>
</tr>
<tr>
<td>Amount Allocable to FY 2019</td>
<td>$12,242</td>
</tr>
</tbody>
</table>

Research project seeks to control giant salvinia in Louisiana.

Previously Described Awards:

**NCAA One-Time Division I Distribution**

| Award Total | $610,187 |
| Amount allocable to FY 2018 | $199,500 |

**Evaluating Water Consumption, Performance Parameters, and Yield of Broilers Reared on Different Water Treatment Programs under a High Stocking Density and with or without Heat Stress**

| Award Total | $17,933 |
| Amount allocable to FY 2019 | $7,173 |

Subtotal Current Year Awards Allocable to FY2019 = $330,250

Subtotal New Private and Local Awards (total award) = $422,242

Note: Amounts are based on award notices as they are received from the funding entity, not on expenditures or balances in funds/accounts. To reflect the approximate availability of funds in a given fiscal year, some current year awards are estimates based on the total amount awarded spread over the award period.

---

\( *\)New awards or additional funds added to a current award

\(^1\)For purposes of this report, the term grant refers to awards in the form of grants, contracts, and other types of agreements from external sponsors. It does not include non-grant scholarships or gifts. Prepared by the Office of Research & Sponsored Programs.
## Policies for Board Review
### October 29, 2018

<table>
<thead>
<tr>
<th>Policy Name</th>
<th>Policy Number</th>
<th>Action/Change</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic and Student Affairs Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acceptable Use of Information Technology Resources</td>
<td>14.2</td>
<td>New policy</td>
<td>P-5</td>
</tr>
<tr>
<td>Appearances Before the Board of Regents</td>
<td>1.1</td>
<td>To be deleted</td>
<td>P-14</td>
</tr>
<tr>
<td>Assessment of Institutional Effectiveness</td>
<td>2.3</td>
<td>Grammatical changes</td>
<td>P-17</td>
</tr>
<tr>
<td>Authority for Official Statements</td>
<td>1.2</td>
<td>To Be Deleted</td>
<td>P-19</td>
</tr>
<tr>
<td>Authorization for the University President to Suspend Faculty and Staff</td>
<td>11.3</td>
<td>Change to reflect Board Rules</td>
<td>P-21</td>
</tr>
<tr>
<td>Cloud and Third Party Services</td>
<td>14.12</td>
<td>To be deleted</td>
<td>P-23</td>
</tr>
<tr>
<td>Computer and Network Security</td>
<td>14.2</td>
<td>To be deleted</td>
<td>P-26</td>
</tr>
<tr>
<td>Computer System Access</td>
<td>14.3</td>
<td>To be deleted</td>
<td>P-30</td>
</tr>
<tr>
<td>Policy Name</td>
<td>Policy Number</td>
<td>Action/Change</td>
<td>Page</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>---------------</td>
<td>----------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Computer Software Copyright</td>
<td>9.1</td>
<td>To be deleted</td>
<td>P-33</td>
</tr>
<tr>
<td>Dual Employment</td>
<td>11.7</td>
<td>To be deleted</td>
<td>P-36</td>
</tr>
<tr>
<td>Financial Aid Code of Conduct</td>
<td>4.7</td>
<td>Minor updates and clarifications</td>
<td>P-39</td>
</tr>
<tr>
<td>Food Services</td>
<td>10.2</td>
<td>To be deleted</td>
<td>P-47</td>
</tr>
<tr>
<td>Information Security for Portable Devices</td>
<td>14.6</td>
<td>To be deleted</td>
<td>P-49</td>
</tr>
<tr>
<td>Kennedy Auditorium</td>
<td>16.14</td>
<td>Minor changes regarding use of tobacco products</td>
<td>P-52</td>
</tr>
<tr>
<td>Notary Public</td>
<td>2.8</td>
<td>None</td>
<td>P-56</td>
</tr>
<tr>
<td>Oral English Proficiency Program</td>
<td>5.14</td>
<td>Basic clarifications</td>
<td>P-58</td>
</tr>
<tr>
<td>Organized Work Stoppage</td>
<td>11.18</td>
<td>Work stoppage is prohibited; responsibility moved to Finance and Administration Division</td>
<td>P-61</td>
</tr>
<tr>
<td>Policy Name</td>
<td>Policy Number</td>
<td>Action/Change</td>
<td>Page</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>---------------</td>
<td>---------------------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Outside Employment</td>
<td>11.19</td>
<td>Content from Dual Employment policy added</td>
<td>P-63</td>
</tr>
<tr>
<td>Reduction in Force of Non-Academic Employees</td>
<td>11.23</td>
<td>Responsibility moved to Finance and Administration Division</td>
<td>P-67</td>
</tr>
<tr>
<td>Selection of Vice Presidents, Athletic Director and Head Coaches</td>
<td>1.8</td>
<td>None</td>
<td>P-71</td>
</tr>
<tr>
<td>Terminal Degrees</td>
<td>7.30</td>
<td>Minor grammatical changes</td>
<td>P-73</td>
</tr>
<tr>
<td>Ticket Office Services</td>
<td>16.29</td>
<td>Added contact</td>
<td>P-76</td>
</tr>
<tr>
<td>U.S.A. Patriot Act</td>
<td>11.31</td>
<td>To be deleted</td>
<td>P-79</td>
</tr>
<tr>
<td>Use of Electronic Information Resources</td>
<td>16.32</td>
<td>To be deleted</td>
<td>P-83</td>
</tr>
<tr>
<td>Workplace Accommodations for Lactation and Breastfeeding</td>
<td>11.33</td>
<td>Human Resources coordinates process</td>
<td>P-88</td>
</tr>
</tbody>
</table>

Building and Grounds Committee

<p>| Campus Facilities for Political Purposes                                   | 16.8          | None                                                    | P-91  |</p>
<table>
<thead>
<tr>
<th>Policy Name</th>
<th>Policy Number</th>
<th>Action/Change</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naming Guidelines</td>
<td>1.5</td>
<td>Removal of specific price points; updates to duration and removal of naming</td>
<td>P-93</td>
</tr>
<tr>
<td>Vending</td>
<td>16.35</td>
<td>None</td>
<td>P-96</td>
</tr>
<tr>
<td><strong>Finance and Audit Committee</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracting Authority</td>
<td>1.3</td>
<td>Updates to reflect Ethics policy</td>
<td>P-98</td>
</tr>
<tr>
<td>Ethics</td>
<td>2.6</td>
<td>Officers and employees will receive annual training</td>
<td>P-101</td>
</tr>
<tr>
<td>Fraud</td>
<td>2.7</td>
<td>None</td>
<td>P-113</td>
</tr>
<tr>
<td>Items Requiring Board of Regents Approval</td>
<td>1.4</td>
<td>THECB reviews projects over $10 million</td>
<td>P-119</td>
</tr>
<tr>
<td>Property Inventory and Management</td>
<td>17.14</td>
<td>Minor changes</td>
<td>P-124</td>
</tr>
<tr>
<td>Private Support Organizations or Donors</td>
<td>3.25</td>
<td>Responsibility moved to Advancement Division</td>
<td>P-131</td>
</tr>
</tbody>
</table>
POLICY SUMMARY FORM

Policy Name: Acceptable Use of Information Technology Resources

Policy Number: 14.2

Is this policy new, being reviewed/revised, or deleted? New

Date of last revision, if applicable:

Unit(s) Responsible for Policy Implementation: Vice President for University Affairs

Purpose of Policy (what does it do): This policy ensures SFA employees accessing SFA Information Resources are aware of their duties and responsibilities to protect SFA Information Resources.

Reason for the addition, revision, or deletion (check all that apply):

- [ ] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy: Establishes and consolidates duties and responsibilities for SFA employees to ensure the integrity of SFA Information Resources is maintained. In order to make it easier for the SFA community to understand their duties and responsibilities, Acceptable Use of Information Technology Resources will replace existing polices 9.1, 14.2, 14.3, 14.6, 14.12 and 16.32. The procedural sections of policies 14.2 and 14.3 will be incorporated in the ITS Policy Handbook.

Specific rationale for each substantive revision:

Specific rationale for deletion of policy:

Additional Comments:

Currently, SFA Information Resource users must review multiple polices to determine duties and responsibilities in relation to SFA Information Resources. This policy provides a consolidated outline of employee duties and responsibilities to protect SFA Information Resources. By consolidating existing polices 9.1, 14.2, 14.3, 14.6, 14.12 and 16.32, the this new policy will make it easier for SFA Information Resource users to understand their duties and responsibilities in protecting SFA Information Resources.
Reviewers:

Brandon Stringfield, Information Security Specialist II
Mike Coffee, Deputy Chief Information Officer
Anthony Espinoza, Chief Information Officer
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Acceptable Use of Information Resources

Original Implementation: October 29, 2018
Last Revision: None

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POLICY STATEMENT
Stephen F. Austin State University (SFA) supports the responsible use of its information resources. This policy ensures all SFA employees accessing SFA Information Resources are aware of the duties and responsibilities in place to protect SFA Information Resources. The use of Information Resources is provided for the purpose of supporting the mission of SFA. All SFA employees should act responsibly to maintain the integrity of SFA Information Resources. All SFA employees will abide by all existing SFA codes of conduct as well as applicable local, state and federal statutes.

SCOPE
All SFA employees granted access to or use of SFA Information Resources must be aware and agree to abide by the acceptable use requirements set out in this policy.

DEFINITIONS
Confidential Data (Category I) – Data that is considered confidential and must be protected from unauthorized disclosure or public release based on state or federal law, (e.g. the Texas Public
Information Act, Family Educational Rights and Privacy Act, Health Insurance Portability and Accountability Act) and other constitutional, statutory, judicial, and legal requirements. For more information and examples see the Informational Technology Services (ITS) Policy Handbook located on the ITS website.

**Chief Information Security Officer (CISO)** – Staff member responsible for providing and administering the overall information security program for the university.

**Data** – Information which is recorded, regardless of form or media, and used to support the mission of the university, whether in an administrative, teaching or research capacity. Data may be saved or transmitted in hard copy (printed or written), digital/electronic (including video, audio, images) or other formats.

**Data Classification** – Data is classified as Category I (confidential), Category II (protected) or Category III (public), with each category subject to its own protection requirements and processes. More information, including definitions, protection requirements and examples of data are included in the ITS Policy Handbook.

**Data Owner** – The university employee responsible for the administrative function supported by the Information Resource or the individual upon whom responsibility rests for carrying out the program using the Information Resources. A listing of Data Owners is contained in the ITS policy handbook.

**Information Resources** – The procedures, equipment, facilities, software, and data that are designed, built, operated, purchased, and maintained to create, collect, record, process, store, retrieve, display, and transmit information. This may include, but is not limited to, any and all computer printouts, online display devices, mass storage media, and all computer-related activities involving any device capable of receiving email, browsing websites, or otherwise capable of receiving, storing, managing, or transmitting data including, but not limited to, mainframes, servers, personal computers, notebook computers, hand-held computers, mobile devices, pagers, distributed processing systems, network attached and computer controlled medical and laboratory equipment (e.g., embedded technology), telecommunication resources, network environments, telephones, fax machines, printers and hosted services.

**Mobile Device** – General term for any handheld computing device or smartphone such as tablet, e-reader, smartphone, PDA or portable music player with smart capabilities and which runs a mobile device operating system, i.e. non-enterprise operating system.

**Portable Computer** – A laptop, notebook, or Surface Pro, which is capable of running on enterprise operating system.

**Protected Data (Category II)** – Data that may be subject to disclosure or release under the Texas Public Information Act but requires additional levels of protection. For more information and examples see the ITS Policy Handbook.
Public Data (Category III) – Information intended or required for public release by the Texas Public Information Act. For more information and examples see the ITS Policy Handbook.

User – An individual who is authorized by the Data Owner to access the Information Resource, in accordance with the Data Owner’s procedures and rules. The User is any person who has been authorized by the Data Owner or SFA representative to access, read, enter, or update that information whether done individually or through facilitation or responsibility for an automated application or process. The User is the single most effective control for maintaining adequate security.

RESPONSIBILITIES

Chief Information Security Officer (CISO)
- Reviews the Acceptable Use Policy annually to ensure consistency with all applicable rules, regulations, and federal/state/local laws.
- Reviews and approves the contents of compliance training related to Acceptable Use Policy.
- Administers the overall information security program.

Human Resources
- Ensures the materials and acknowledgements are included and recorded during the course of the compliance training. Maintains records of training and notifies users of training requirements.

Data Owner
- Authorizes access to the Information Resource.
- In the event that the Data Owner is also the User, then the Data Owner is also responsible for compliance with User responsibilities as specified below.

User
- Reviews and acknowledges understanding and acceptance of the Acceptable Use Policy during annual security training.
- Uses the Information Resource only for the purpose specified by the Data Owner.
- Complies with controls established by the Data Owner.
- Prevents any prohibited disclosure of Category I or Category II data. This data may be disclosed pursuant to a court order or other legal finding as directed by the CISO and General Counsel.

GENERAL
1. SFA Information Resources are provided for the purpose of supporting the mission of SFA. However, Users are permitted to use SFA Information Resources for use that is incidental to the User’s official duties to SFA (Incidental Use) as permitted by this policy.
2. Users have no expectation of privacy regarding any SFA data residing on SFA owned computers, servers, or other information resources owned by, or held on behalf of, SFA.
3. Users have no expectation of privacy in regard to any personal information stored by a User on SFA Information Resource including SFA email accounts.
4. Users will exercise responsible, ethical behavior when using SFA’s Information Resources. SFA reserves the right to limit, restrict or extend privileges and access to its resources.
5. SFA may access and monitor its Information Resources for any purpose consistent with the university’s duties and/or mission without notice.
6. All Users must comply with applicable SFA Information Security policies at all times.
7. Users shall not circumvent SFA computer or information security measures.
8. Users should report misuse of SFA Information Resources or violations of this policy to their supervisors, the CISO or EthicsPoint.
9. The unauthorized deletion or alteration of information or data of others, misuse of system resources, and misuse of system resources by others are prohibited.
10. The owner or designated custodian of a computer that is attached to the SFA network is responsible for the security of the computer.
11. Users are responsible for any activities to or from the network connections and all network activity originating from their equipment.
12. All employees who access SFA information resources must complete compliance and security awareness training annually.

CONFIDENTIALITY AND SECURITY OF DATA
1. Users shall access SFA data only to conduct authorized university business and only as permitted by applicable confidentiality and privacy laws. Users must not attempt to access data on systems they are not expressly authorized to access.
2. Users shall maintain all records containing SFA data in accordance with the university’s Records Retention Policy and Records Management Guidelines.
3. SFA data can only be stored or processed on cloud services provided or sanctioned by ITS. Storing or processing SFA data in a personally obtained cloud service is prohibited.
4. Users shall not disclose Confidential Data except as permitted or required by law and only as part of their official SFA duties.
5. All SFA confidential data must be stored on university provided equipment purchased by SFA or cloud services sanctioned by ITS.
6. All computers connecting to a SFA network must run security software provided by the ITS as necessary to properly secure SFA Information Resources.
7. Devices determined by ITS to lack required security software or otherwise pose a threat to SFA Information Resources may be immediately disconnected by the Information Security Office from a university network without notice.
8. Confidential data stored on portable storage devices must be encrypted.

SOFTWARE COPYRIGHT
1. Software provided through the university for use by SFA employees will be used on computing equipment only as appropriate to the specific software licenses and will not be copied except as specifically permitted by the software license, e.g., to create a backup copy.
2. SFA employees may not use unlicensed or unauthorized copies of software on university-owned computers or any computer connected to the university network.
3. The user is responsible for ensuring and documenting via a license agreement or proof of purchase that the software used on the computer is licensed.
4. The user is responsible for ensuring and documenting the number of software license/s purchased are not exceeded and do not violate copyright law.
5. The university may audit software on university-owned equipment without notice.

**EMAIL**

1. Emails sent or received by Users in the course of conducting SFA business are considered SFA data that are subject to state records retention and security requirements.
2. Users are to use SFA provided email accounts, rather than personal email accounts, for conducting SFA business. The assigned SFA email account is considered an official method of communication from SFA, and all SFA employees are responsible for the email message content.
3. All email messages of a personal nature sent by faculty, staff, and retirees using an SFA email address must contain the following disclaimer: “The views and opinions expressed in this message are my own and do not necessarily reflect the views and opinions of Stephen F. Austin State University, its Board of Regents, or the State of Texas.”
4. The following email activities are prohibited when using a SFA provided email account:
   a. Sending an email under another individual's name or email address, except when authorized to do so by the owner of the email account for a business related purpose.
   b. Accessing the content of another User's email account except:
      i. As part of an authorized investigation;
      ii. As part of an approved monitoring process; or
      iii. For other purposes specifically associated with the User's official duties on behalf of SFA.
   c. Sending or forwarding any email that is suspected by the User to contain computer viruses.
   d. Any use prohibited by applicable SFA policy.
5. Email access will be removed on the last day of employment, unless special authorization has been granted by the appropriate SFA staff.

**INCIDENTAL USE OF INFORMATION RESOURCES**

1. Incidental Use of SFA Information Resources must not interfere with a User’s performance of official SFA business, result in direct costs to SFA, or expose SFA to unnecessary risks.
2. A User's incidental personal use of a SFA Information Resources does not extend to the User’s family members or others regardless of where the Information Resources are physically located.
3. Incidental Use to conduct, support, or promote the User’s outside employment, including self-employment, is prohibited.
4. Incidental Use for purposes of political lobbying or campaigning is prohibited.
5. Files not related to SFA business or in support of the SFA mission may not be stored on network file servers.
REQUIREMENTS FOR PORTABLE AND REMOTE COMPUTING

1. All electronic devices including personal computers, smart phones or other devices used to access, create or store SFA Information Resources, including email, must be password protected in accordance with SFA requirements, and passwords must be changed whenever there is suspicion that the password has been compromised.

2. SFA issued mobile computing devices must be encrypted and must have a lock screen enabled.

3. Unattended portable computers, smart phones and other computing devices must be physically secured.

4. All remote access to networks owned or managed by SFA must be accomplished using a remote access method approved by the Information Security Office, as applicable.

5. SFA employees should utilize information security best practices when using personal computing devices to conduct SFA business.

ACCOUNT AND PASSWORD MANAGEMENT

1. SFA issued or required passwords, including digital certificate passwords, Personal Identification Numbers (PIN), Digital Certificates, Security Tokens (i.e. Smartcard), or similar information or devices used for identification and authorization purposes shall be maintained securely and shall not be shared or disclosed to anyone.

2. Each User is responsible for all activities conducted using the User’s account or other credentials.

3. It is the responsibility of all individuals using SFA’s Information Resources to protect the privacy of their account(s). Personal account information should not be released to friends, relatives, roommates, etc.

4. All individuals using SFA Information Resources are prohibited from using a computer account for which they are not authorized, or obtaining a password for a computer account not assigned to them.

IMPLIED CONSENT & LIABILITY RELEASE

All individuals with access to SFA Information Resources are responsible for their appropriate use. Such use constitutes an agreement to comply with applicable SFA policies and regulations, city, state, and federal laws and regulations, and with applicable policies of the affiliated networks and systems.

COMPLIANCE

All SFA employees are required to comply with this policy. SFA reserves the right to deny, limit, restrict or extend privileges and access to its Information Technology Accounts and Systems.


Responsible for Implementation: Vice President for University Affairs
Contact for Revision: Chief Information Security Officer

Forms: None

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Appearances before the Board of Regents

Policy Number: 1.1

Is this policy new, being reviewed/revised, or deleted? Delete

Date of last revision, if applicable: 1/26/2016

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy mirrors the Board Rules and Regulations prescribing when individuals may appear before the Board of Regents.

Reason for the addition, revision, or deletion (check all that apply):

- [ ] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [x] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Policy is duplicative of the Board Rules and Regulations. This is a matter regarding Board of Regents policy/procedure, and has been left in the Board Rules and Regulations as the sole governing authority.

Additional Comments:

Reviewers:

Damon Derrick, General Counsel
Appearances before the Board of Regents - To Be Deleted

Original Implementation: January 19, 1988
Last Revision: January 26, 2016

Special appearances as requested by the board or president: The chair of the Board of Regents or the president (as approved by the board chair) may invite individuals to appear before the board or one of its committees (as approved by the committee chair) for specific purposes. The chair of the Faculty Senate and the president of the Student Government Association shall have the opportunity to provide a report at each quarterly board meeting.

Requests to address the board: Requests to appear before the board to make comments on a specific agenda item must be received by the coordinator of board affairs in writing no later than twenty-four (24) hours before the board meeting at which the individual wishes to speak. The request should set out clearly the nature of the subject matter to be presented relating to a specific board agenda item. In making a request to appear before the board, individuals must give their names and any relevant title or affiliation. Comments on topics not posted on the agenda are not allowed but may be submitted to the coordinator of board affairs in writing, at any time, for distribution to the regents.

Time allocation: The board will allow up to twenty (20) minutes for public comment per agenda item. An individual speaker will be permitted three (3) to five (5) minutes for a presentation. The board will allow a total of up to ninety (90) minutes for public comments per regular quarterly meeting. Copies of speakers’ comments, and/or other written materials for distribution to the Board of Regents will be accepted. Public comments will take place during the scheduled public comment period at the beginning of each regular quarterly meeting.

Other meetings: While a specific period for public testimony will be limited to the regular quarterly meetings, written comments are welcome for any scheduled meeting of the Board of Regents. One copy of comments may be forwarded to the Office of the Board of Regents for distribution to the regents.

Scheduling of speakers: When the number of requests to address the board at a given session and for a specific agenda item exceeds the time available, requests will be approved based on the order the written request was received by the coordinator of board affairs. If, by virtue of time or other constraint, a speaker is not able to present his/her comments orally, said comments will be accepted and distributed to the Board of Regents at the meeting.

Special requests: Special requests to appear before the board for comments at times other than the regular quarterly meetings can be submitted to the coordinator of board affairs for consideration by the chair of the Board of Regents.
Cross Reference: Tex. Educ. Code § 51.357; Board of Regents Rules and Regulations

Responsible for Implementation: President

Contact for Revision: President

Forms: None

Board Committee Assignment: Academic and Student Affairs Committee
POLICY SUMMARY FORM

Policy Name: Assessment of Institutional Effectiveness

Policy Number: 2.3

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 4/14/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): To comply with SACS reaccrediation standards that require a defined process for the assessment of institutional effectiveness.

Reason for the addition, revision, or deletion (check all that apply):
- [x] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: The committee opted to revise the existing on grammar rather than engage in a rewrite to support ongoing assessment processes.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Academic Affairs Policy Committee
Steve Bullard, Provost and Vice President for Academic Affairs
Damon Derrick, General Counsel
Assessment of Institutional Effectiveness

**Original Implementation:** Unpublished
**Last Revision:** October 27, 2014 \(\text{October 29, 2018}\)

Stephen F. Austin State University (SFA) will demonstrate adherence to principles of continuous improvement based on systematic and documented processes of assessment aligned with the mission of the institution. Assessment of institutional effectiveness involves all programs, services, and constituencies; is linked to decision-making at all levels; and provides a basis for budgetary and resource allocations. The institution will document the achievement of the university mission and goals. Each educational program and administrative and educational support service unit will electronically submit institutional effectiveness documents as scheduled.

The university conducts ongoing, integrated, research-based planning to enhance overall institutional quality and effectiveness. During the planning process, expected outcomes are identified and action plans are designed to improve institutional effectiveness and performance. Following implementation of the action plans, results are assessed.

The institutional effectiveness document will identify expected outcomes, report outcomes—assessments and indicate how assessment results will be used to improve the unit or program.

The format of these documents may be determined by accreditation requirements.

**Cross Reference:** SACSCOC CR2.5 (2012) and SACSCOC R7.1(2017) None

**Responsible for Implementation:** President

**Contact for Revision:** Director, Student Learning and Institutional Assessment
Director, Institutional Research

**Forms:** None

**Board Committee Assignment:** Academic and Student Affairs
Policy Name: Authority for Official Statements

Policy Number: 1.2

Is this policy new, being reviewed/revised, or deleted? Delete

Date of last revision, if applicable: 1/26/2016

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy mirrors the Board Rules and Regulations stating that the Board of Regents retains the authority to speak on behalf of the university.

Reason for the addition, revision, or deletion (check all that apply):

☐ Scheduled Review ☐ Change in law ☐ Response to audit finding

☒ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Policy is duplicative of the Board Rules and Regulations. This is a matter regarding Board of Regents reservation of authority, and has been left in the Board Rules and Regulations as the sole governing authority.

Additional Comments:

Reviewers:

Damon Derrick, General Counsel
Authority for Official Statements - To Be Deleted

Original Implementation: January 22, 1977
Last Revision: January 26, 2016

In accordance with the Board of Regents Rules and Regulations, the Board of Regents reserves the authority and responsibility for determining matters of policy and official statements concerning any political or other subjects of an obviously controversial nature which represent an official policy, statement, or position of the Board of Regents or of the university. Statements, policies, and positions by the Board of Regents on such matters shall be made by the board through the chair of the board or the president of the university. No regent, officer, faculty or staff member shall have the authority to speak for or issue any public statements on policy for and on behalf of the Board of Regents, or of the university, on such matters without prior approval of the board.

Cross Reference: Board of Regents Rules and Regulations

Responsible for Implementation: President

Contact for Revision: President

Forms: None

Board Committee Assignment: Academic and Student Affairs Committee
POLICY SUMMARY FORM

Policy Name: Authorization for the University President to Suspend Faculty and Staff

Policy Number: 11.3

Is this policy new, being reviewed/revised, or deleted?  Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy mirrors the Board Rules and Regulations prescribing when the university may suspend faculty and staff.

Reason for the addition, revision, or deletion (check all that apply):

☒ Scheduled Review  ☐ Change in law  ☐ Response to audit finding

☐ Internal Review  ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Change made to reflect the language in the Board Rules and Regulations

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Damon Derrick, General Counsel
Authorization for the University President to Suspend Faculty and Staff

Original Implementation: April 27, 1970
Last Revision: November 2, 2015 October 29, 2018

Without prior notice or hearing, the president of the university may suspend with or without pay and immediately remove from the university, or assign to other duties with pay, any employee who:

1. poses a continuing danger to persons or property;
2. disrupts the orderly operation of the university;
3. endangers the education of students;
4. has been convicted by a trial court of any felony or a crime of moral turpitude.

The president shall, immediately—*as soon as possible*, notify the general counsel of such action. In such cases the president will set a hearing before the appropriate administrator or committee on the employee's case as soon thereafter as is practical unless otherwise waived by the employee.

Cross Reference: Board of Regents Rules and Regulations

Responsible for Implementation: President

Contact for Revision: President

Forms: None

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Cloud and Third Party Services

Policy Number: 14.12

Is this policy new, being reviewed/revised, or deleted? Delete

Date of last revision, if applicable: 1/26/2016

Unit(s) Responsible for Policy Implementation: Vice President for University Affairs

Purpose of Policy (what does it do):

Reason for the addition, revision, or deletion (check all that apply):

☐ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Key provisions incorporated into new omnibus IT policy

Additional Comments:

Reviewers:

Anthony Espinoza, Chief Information Officer
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Cloud and Third Party Services TO BE DELETED

Original Implementation: January 26, 2016
Last Revision: None

This policy establishes the conditions and security requirements for the use of information technology vendors, third parties and cloud services providers. Third parties and cloud service providers play an important role supporting the management of technology (e.g., hardware and software) for university constituents. Stephen F. Austin State University (SFA) contracts with numerous third party vendors to provide essential services while maintaining a high level of security. Setting standards for security and access controls reduces the risk of liability, loss of revenue, loss of data, or loss of trust to the university. This policy is consistent with the requirements of Texas Administrative Code, Chapter 202 and the Security Control Standards Catalog established by the Texas Department of Information Resources.

Scope:

This policy applies to all university personnel and university confidential and/or sensitive electronic data.

Policy:

1. All SFA confidential and/or sensitive electronic data must be stored on university provided equipment (e.g., computers or servers purchased by SFA), university contracted cloud service providers (e.g., Office 365).
2. Employees will not store any SFA electronic data on personal cloud services accounts such as Dropbox, Google Docs, etc.
3. SFA has the authority to monitor information resources to ensure compliance with this policy.

Exclusions:

Faculty members, researchers and other employees working collaboratively with others outside of the university may be excluded from these requirements if the information being shared is stored in a secure manner. Additionally, data may be stored or shared through methods established by university oversight agencies such as The Higher Education Coordinating Board, State Comptroller’s Office, State Auditor’s Office, etc.

Definitions:

Cloud Computing—A model for enabling ubiquitous, convenient, on demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service
Cloud and Third Party Services

Cloud computing service models include the following: Software as a Service (SaaS), Platform as a Service (PaaS), and Infrastructure as a Service (IaaS) (NIST 800-145 September 2011).

Infrastructure as a Service (IaaS) — The capability provided to the consumer is to provide processing, storage, networks, and other fundamental computing resources where the consumer is able to deploy and run arbitrary software, which can include operating systems and applications. The consumer does not manage or control the underlying cloud infrastructure but has control over operating systems, storage, and deployed applications; and possibly limited control of select networking components (e.g., host firewalls) (NIST 800-145 September 2011).

Platform as a Service (PaaS) — The capability provided to the consumer is to deploy onto the cloud infrastructure consumer-created or acquired applications created using programming languages, libraries, services, and tools supported by the provider. The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, or storage, but has control over the deployed applications and possibly configuration settings for the application-hosting environment (NIST 800-145 September 2011).

Software as a Service (SaaS) — The capability provided to the consumer is to use the provider’s applications running on a cloud infrastructure. The applications are accessible from various client devices through either a thin client interface, such as a Web browser (e.g., Web-based email), or a program interface. The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, storage, or even individual application capabilities, with the possible exception of limited user-specific application configuration settings (NIST 800-145 September 2011).


Responsible for Implementation: Provost and Vice President for Academic Affairs

Contact for Revision: Chief Information Officer

Forms: None
POLICY SUMMARY FORM

Policy Name: Computer and Network Security

Policy Number: 14.2

Is this policy new, being reviewed/revised, or deleted? Delete

Date of last revision, if applicable: 11/2/15

Unit(s) Responsible for Policy Implementation: Vice President for University Affairs

Purpose of Policy (what does it do):

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Key provisions incorporated into new omnibus IT policy

Additional Comments:

Reviewers:

Anthony Espinoza, Chief Information Officer
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Computer and Network Security TO BE DELETED

Original Implementation: January 24, 1995
Last Revision: November 2, 2015

This policy establishes the conditions and security requirements for the use of computing—
equipment and networks at Stephen F. Austin State University (SFA). Computing equipment—
includes desktops, laptops, servers, handheld devices, and printers. In order to comply with state—
requirements (Information Resources Management Act, Tex. Gov’t Code Ch. 2054, and Tex.
Admin. Code, Title 1, Part 10, Ch. 202), the chief information officer serves as the information—
resources manager for the university.

Definitions:

Information Technology (IT) Security Sensitive Positions—Employees with application—
security permissions allowing access to information other than their own personal employee—
information.

Scope:

This policy applies at all university locations or data centers and represents the minimum—
requirements that must be in place. Individual areas with computers and networks may have—
additional controls and security.

Policy:

1. Each vice president, dean or director will designate staff (not student—employees)—
or the technical services group of Information Technology Services (ITS) as—
responsible for the support, maintenance and security of the computing equipment—
within their purview. For organizational units that designate local staff as their—
support provider, ITS will provide computing support guidelines specifying the—
level of support that ITS will provide as the secondary support provider.
2. Each organizational unit will implement local security procedures to include:
   a. Protection of the privacy of confidential information;
   b. Protection of information against unauthorized modification;
   c. Protection of systems against unauthorized access and use;
   d. Display of the security banner from the ITS security web page on organization—
      computers;
   e. Use of the university’s central authentication source for user authentication on—
      servers and desktop computers, where feasible;
   f. Use of the standard university antivirus software in a managed configuration,—
      where feasible.
3. Each organizational unit of SFA that maintains a local area network(s) must develop a local security procedures document that is subject to approval by ITS. In order to mitigate and manage risk, each organizational unit maintaining servers will participate in the annual information systems security risk assessment. The president or designee will make the final security risk management decisions either to accept exposures or to protect the data according to their value or sensitivity.

4. SFA will not be liable for the loss of data or interference with files resulting from the university’s efforts to maintain the privacy and security of the university’s computer, information, and network facilities. In order to maintain network security, the university reserves the right to:
   a. Limit, restrict, or terminate an account holder’s usage;
   b. Inspect, copy, remove, or otherwise alter any data, file, or system resource that threatens the security of a system or network, with or without prior notice to the user;
   c. Check systems periodically and take the necessary actions to protect university computers, information, and networks.

5. Individuals will exercise responsible, ethical behavior when using the university’s information resources. The university reserves the right to limit, restrict or extend privileges and access to its resources:
   a. Access to certain university information resources is provided through the establishment of an account. Computer accounts must be approved in writing through the respective dean or director (or designated representative) of the administrative unit.
   b. Since the university permits access to copyrighted data through the Internet, each user is responsible for complying with university policy 9.3, Digital Millennium Copyright. Disciplinary action, including termination of service, may be taken on any reported copyright infringements that have been investigated and determined valid.
   c. Computer systems provided by SFA are reserved only for university-related activities (See Chapter 39 of the Texas Penal Code for provisions dealing with the misuse of state property). The intentional deletion or alteration of information or data of others, intentional misuse of system resources, and misuse of system resources by others are prohibited.

6. All employees will have security awareness training commensurate with their role at the university. All employees in IT Security Sensitive Positions must complete security awareness training annually. Each department head or academic unit head is responsible for ensuring employees are correctly identified as being in IT Security Sensitive Positions and the employees identified participate in security awareness training.

7. Each user is responsible for complying with university policies 16.32, Use of Electronic Information Resources and 9.1, Computing Software Copyright.
Sanctions for Policy Violations:

Violations of any provision of this policy may result in, but are not limited to:

a. a limitation on a user's access to some or all university computer systems;
b. the initiation of legal action by the university;
c. restitution by the violator for any improper use of service; and/or
d. disciplinary sanctions, which may include dismissal.

Many academic courses and work-related activities require the use of computers, networks, and systems of the university. In the event of an imposed restriction or termination of access to some or all university computers and systems, a user enrolled in courses or involved in computer-related work activities may be required to use alternative facilities. However, users are advised that if alternative facilities are unavailable or not feasible, users are responsible for the failure to complete requirements for course work or work responsibilities.

Cross Reference: Use of Electronic Information Resources (16.32); Computing Software—Copyright (9.1); Digital Millennium Copyright (9.3); Texas Information Resources Management Act, Tex. Gov’t Code Ch. 2054; 1 Tex. Admin. Code §§ 202.1–2, .70–.76; Tex. Penal Code §§ 39.01–.02.

Responsible for Implementation: Provost and Vice President for Academic Affairs

Contact for Revision: Chief Information Officer

Forms: None

Board-Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Computer System Access

Policy Number: 14.3

Is this policy new, being reviewed/revised, or deleted? Delete

Date of last revision, if applicable: 7/26/2016

Unit(s) Responsible for Policy Implementation: Vice President for University Affairs

Purpose of Policy (what does it do):

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Key provisions incorporated into new omnibus IT policy

Additional Comments:

Reviewers:

Anthony Espinoza, Chief Information Officer
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Computer System Access TO BE DELETED

Original Implementation: January 19, 1999
Last Revision: July 26, 2016

University information resources are strategic assets which, being property of the state of Texas, must be managed as valuable state resources. Access to university information resources is normally controlled by a login ID associated with an authorized account. Proper administration of these login IDs is important to ensure the security of confidential information and normal business operation of university managed and administered information resources.

This policy applies to university information resources that store or process mission critical and/or confidential information.

The information resource owner, or designee, is responsible for ensuring that the risk mitigation measures described in this policy are implemented. Based on risk management considerations and business functions, the resource owner may determine that it would be appropriate to exclude certain risk mitigation measures provided in this policy. All exclusions must be submitted to the chief information officer for approval.

The intended audience for this policy includes, but is not limited to, all information resource owners and system administrators.

1. An approval process is required prior to granting access to an information resource. The approval process will document the acknowledgement of the account holder to follow all terms of use and the granting of access by the resource owner or their designee.
2. Each person will have a unique login ID and associated account for accountability purposes. Guest accounts are to be used in limited situations, and must provide individual accountability.
3. Access controls are to be modified appropriately as an account holder’s employment or job responsibilities change.
4. Account creation processes are required to ensure that only authorized individuals receive access to information resources.
5. Processes are required to disable login IDs that are associated with individuals that are no longer employed by, or associated with, the university. In the event that authorized access is to remain active, the unit (e.g., owner, unit head) will document that a benefit to the university exists and give a date when access can be disabled.
6. Passwords associated with login IDs will comply with university password minimum requirements.

7. System administrators and other designated personnel will have documented processes:
   a. For removing the accounts of individuals who are no longer authorized to have access to university information resources.
   b. To modify user account access controls to accommodate changes in job status.
   c. For periodically reviewing existing accounts for validity.
Cross-Reference: None

Responsible for Implementation: Provost and Vice President of Academic Affairs

Contact for Revision: Chief Information Officer

Forms: Account Authorization Form

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Computing Software Copyright

Policy Number: 9.1

Is this policy new, being reviewed/revised, or deleted?  Delete

Date of last revision, if applicable: 6/28/2015

Unit(s) Responsible for Policy Implementation: Vice President for University Affairs

Purpose of Policy (what does it do):

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review  ☐ Change in law  ☐ Response to audit finding

☐ Internal Review  ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Key provisions incorporated into new omnibus IT policy

Additional Comments:

Reviewers:

Anthony Espinoza, Chief Information Officer
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Computing-Software Copyright

Original Implementation: July 27, 1999
Last Revision: July 28, 2015

Purpose and Scope

Most software on computers at Stephen F. Austin State University is protected by federal copyright laws. In addition to copyright laws, there is usually a license agreement between the software seller and the purchaser to protect the software. Educational institutions are not exempt from legislation covering copyrights. The university’s policy is to adhere to the copyright protections given under federal law and to the conditions of license agreements.

Policies and Procedures

• Software provided through the university for use by faculty, staff, and students will be used on computing equipment only as appropriate to the specific software licenses.
• Licensed software will not be copied on university equipment except as specifically permitted by the software license, e.g., to create a backup copy.
• Faculty, staff, and students may not use unlicensed or unauthorized copies of software on university-owned computers, or any computer connected to the university network.
• The individual who normally uses a specific computer is responsible for ensuring and documenting via license agreement or proof of purchase that the software used on that machine is licensed. When the same computer is used by more than one person, a specific individual will be assigned responsibility for ensuring and documenting appropriate software licensing.
• For a multi-user computing system, the director of the organizational unit owning the system, or the person responsible for its operation, will document licenses, inform users of licensing conditions, and take reasonable actions to ensure compliance.
• The university may audit software on university-owned equipment at any time, with or without notice to the designated users. The university may request permission to audit software on non-university equipment that is connected to the university network as a condition of approval to use such equipment on the network.

Sanctions for Policy Violations

Unauthorized or unlicensed use of software is a serious matter. Faculty, staff, and students should bring known or suspected violations of these policies to the attention of supervisors or other responsible persons such as the chief information officer. Any individual violating these policies is required to take immediate corrective action, e.g., to remove the unlicensed software; persons refusing to do so are subject to
university disciplinary procedures.

**Cross Reference:** Computer and Network Security (14.2); Purchase of Electronic and Information Resources (17.16)

**Responsible for Implementation:** Provost and Vice President for Academic Affairs

**Contact for Revision:** Chief Information Officer

**Forms:** None

**Board Committee Assignment:** Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Dual Employment

Policy Number: 11.7

Is this policy new, being reviewed/revised, or deleted? Delete

Date of last revision, if applicable: 7/26/2016

Unit(s) Responsible for Policy Implementation: Vice President of Finance and Administration

Purpose of Policy (what does it do): The policy outlines the guidelines for reporting and gaining approval for dual employment at SFA and another state agency.

Reason for the addition, revision, or deletion (check all that apply):

☐ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☒ Other, please explain: Information transferred to another policy.

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Information regarding dual employment was added to the Outside Employment policy. Having two policies confused employees and hampered reporting.

Additional Comments:

Reviewers:

Loretta Doty, Director of Human Resources
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel
Employees who are employed in two positions within Texas government must have prior board approval and are subject to the following provisions:

1. Separate leave records will be maintained for each employment.
2. Time worked in one position may not be used as additional tenure credit for purposes of longevity or annual leave accrual for the other position.
3. Upon termination of one employment, the leave balances accrued under that employment may not be transferred to the remaining employment.
4. The state's contribution towards the taxes imposed on the employee by the Federal Insurance Contributions Act may not exceed the overall limit specified in the General Appropriations Act. The comptroller shall prescribe such uniform accounting and reporting procedures as necessary to ensure that expenditures for this purpose do not exceed this limit.
5. The total state contribution toward the employee's group insurance will be limited to no more than the amount specified in the General Appropriations Act for one full-time active employee.
6. The employee will be entitled to receive longevity payment for no more than one employment.
7. Overtime compensation will accrue for each employment totally independent of the other, except that when an employee works in a dual employment capacity where the employee is subject to the overtime provisions of the Fair Labor Standards Act (FLSA) of 1938, 29 U.S.C., sec. 201 et seq., in either employment, the employing agency or agencies must consider all combined time worked in excess of 40 hours per week as overtime and compensate the employee in accordance with the FLSA provisions applicable to joint employment relationships. In cases where the dual employment is with two separate agencies, the two agencies shall coordinate in order to determine which agency shall have the responsibility to assure that the employee is properly compensated in accordance with such provisions.
8. Employees must inform both employers before accepting additional employment with the state.

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** Director of Human Resources

**Forms:** None

**Board Committee Assignment:** Academic and Student Affairs
Policy Name: Financial Aid Code of Conduct

Policy Number: 4.7

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 4/14/2015

Unit(s) Responsible for Policy Implementation: Provost and Vice President for Academic Affairs

Purpose of Policy (what does it do): To ensure compliance with Higher Education Act § 487(a)(25) and to outline standards of ethical conduct for university personnel in managing financial aid monies.

Reason for the addition, revision, or deletion (check all that apply):
- [x] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Overall, the policy required several minor grammar clarifications. More specifically, it was necessary to update the name of the lending institution and to allow for an electronic exit interview.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Academic Affairs Policy Committee
Steve Bullard, Provost and Vice President for Academic Affairs
Damon Derrick, General Counsel
Financial Aid Code of Conduct

Original Implementation: April 21, 2009
Last Revision: April 14, 2015 October 29, 2018

This code of conduct is promulgated under the Higher Education Act § 487(a)(25), as reauthorized and amended by the Higher Education Opportunity Act, and is not intended to conflict with any Texas law or university policy involving conflict of interest and/or ethics, specifically Texas Government Code § 572.051 and. This code of conduct helps to ensure that such laws are not violated; the code is consistent with Stephen F. Austin State University’s Ethics policy (2.6). To help ensure public confidence in the financial aid system and to promote high ethical standards, provisions in this code of conduct may exceed the minimum limits required by law. Any employee or agent of the university with responsibilities involving the financial aid process will be provided with an annual copy of this policy annually.

I. Definitions

A. “Lending institution” or “lender” means: (i) any entity that itself, or through an affiliate, engages in the business of making loans to students, parents or others for purposes of financing higher education expenses, or that securitizes such loans; or (ii) any entity, or association of entities, that guarantees education loans. “Lending institution” or “lender” will not include the university or the state or federal governments. The Trellis Company (formerly the Texas Guaranteed Student Loan Corporation) is exempt from this definition.

B. “University” - means Stephen F. Austin State University (SFA) and those entities that subscribe to its policies and this code of conduct.

C. “Compensation” - means anything of value, including but not limited to money, credits, loans, discounts, payments, fees, forgiveness of principal or interest, reimbursement of expenses, charitable contributions, stock options, consulting fees, educational grants, vacations, prizes, gifts, gratuities, favors, discounts, entertainment, hospitality, or other items of value, whether given directly or indirectly. The term additionally includes a gift of services, transportation, lodging or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

D. “Trade association” - means any higher education, financial aid, lending or banking trade, industry, or professional association that receives compensation within the preceding 12-month period from any lending institution or lender.

E. “Outside director” - means a member of a lender’s board of directors or board of trustees who receives compensation from such lender in connection with his or her service on the board of directors or board of trustees and who receives no other compensation from the lender as an officer, employee, or agent of the lender or otherwise.
F. “Agent” means a person acting as a representative of and at the direction of or under the control of a university, where such person’s responsibilities relate primarily to the university’s activities involving financial aid or the business of higher education loans.

II. Code of Conduct

A. Prohibition of Certain Compensation to University Employees

1. No university trustee, director, officer, or agent, or any employee who is employed in the financial aid office of the university or who otherwise has responsibilities with respect to higher educational loans or other financial aid at the university, and no spouse or dependent children of any such persons (“family member”), will accept any compensation of more than a de minimus amount (not to exceed $20), directly or indirectly, during any 12-month period, from or on behalf of a lending institution or trade association, except that this provision does not prohibit any officer, trustee, director, agent or employee of the university, or any of their family members, from receiving compensation for the conduct of non-university business with any lending institution or trade association or from accepting compensation that is offered to the general public. No compensation will be accepted by an employee (or employee’s family member) in the financial aid office from any financial aid applicant or his/her family.

2. Notwithstanding the prohibitions in subsection II.A.1 or any other provision of this code of conduct: (a) the university may hold membership in any nonprofit professional association; and (b) a university trustee, director, officer, or employee who is not employed in the financial aid office of the university and does not have responsibilities with respect to higher education loans or financial aid, may serve as an outside director of a lending institution or trade association and receive compensation at the lending institution’s or trade association’s established compensation rates for outside directors, provided that any university trustee, director, officer or employee serving on the board of the lending institution or trade association is precluded from participating in such board’s discussions or decisions that might affect the interests of the university and provided further that such university trustee, director, officer or employee complies with the university’s policy on Ethics (2.6), and receives annual written notice of the requirements of both this code of conduct and the university’s conflict of interest policy. Further, notwithstanding the prohibitions in subsection II.A.1, a trustee, director, officer or employee of a lending institution or trade association who does not have responsibilities with respect to higher education loans or financial aid is not prevented from serving on the board of directors of a university solely by virtue of his or her position with the lending institution or trade association, provided that any such person serving on the board of the university is precluded from participating in such board’s discussions or decisions that might affect the interests of such lender or trade association or that relate to financial aid or higher education loans.
3. The prohibitions set forth in this subsection include, but are not limited to, a ban on any payment or reimbursement by a lending institution or trade association to a university employee or family member for lodging, meals, or travel to conferences or training seminars unless such payment or reimbursement is related solely to non-university business. University employees whose duties relate to financial aid may accept food or refreshments of nominal value provided or paid for by a lender or trade association at a meeting, conference or seminar related to their professional development or training. University employees are not precluded from attending any educational or training program related to financial aid or higher education loans where no registration fee is charged to any attendee because of a lender’s or trade association’s sponsorship or support of the program, and provided that the registration fee is limited to covering the costs associated solely with the education or training component of the program.

4. No action will be taken by an employee in the financial aid office that is for his/her personal benefit or could be perceived to be a conflict of interest. Employees within the financial aid office will not award aid to themselves or to a relative as defined in policy 11.16, Nepotism. Staff will refer this task to an institutionally designated person to avoid the appearance of a conflict of interest.

B. Limitations on University Employees Participating on Lender Advisory Boards

Any person who is employed in the university’s financial aid office of a covered educational institution, or who otherwise has responsibilities with respect to private educational loans or other financial aid of the institution, and who serves on a lender advisory board, commission, or group established by a private educational lender or group of such lenders are prohibited from receiving anything of value from the private educational lender or group of lenders except reimbursement for reasonable expenses. An annual report of any reasonable expenses paid will be provided to the U.S. secretary of education of any reasonable expenses paid. Each report will include: the amount for each specific instance of reasonable expenses paid or provided; the name of the financial aid official, other employee, or agent to whom the expenses were paid or provided; the dates of the activity for which the expenses were paid or provided; and a brief description of the activity for which the expenses were paid or provided. Lenders can obtain advice and opinions of financial aid officials on financial aid products and services through trade associations, industry surveys, or other mechanisms that do not require service on lender advisory boards, and provided that any reimbursement for expenses is limited to reasonable expenses as defined for service on advisory boards. This provision does not apply to participation on advisory boards that are unrelated in any way to financial aid or higher education loans. This paragraph does not apply to those serving in the Texas Guaranteed Student Loan Corporation, Trellis Company.

B.C. Prohibition of Certain Compensation to the University

1. Neither the university, nor any alumni association, booster club, foundation, athletic organization, social organization, academic organization, professional organization
or other organization affiliated with the university (“affiliated organizations”) may accept any compensation from any lending institution or trade association in exchange for any advantage or consideration provided to the lending institution or trade association related to the lending institution’s or trade association’s financial aid or education loan activity. This prohibition includes, but is not limited to: (i) revenue sharing by a lending institution or trade association with the university or affiliated organizations; (ii) the receipt by the university or affiliated organizations from any lending institution or trade association of any equipment or supplies, including without limitation, computer hardware and software, for which the university pays below-market prices; and (iii) printing costs or services, provided that a university or affiliated organizations is not prohibited from accepting a lender’s or trade association’s own standard printed brochures or informational material that does not contain the university’s logo or otherwise identify the university.

2. Notwithstanding anything else in this subsection, the university may accept assistance comparable to the kinds of assistance provided by the secretary of the U.S. Department of Education to schools under or in furtherance of the Federal Direct Loan Program.

3. Nothing in this subsection prohibits the university from accepting endowment gifts, capital contributions, scholarship funding, or other financial support from a lender or trade association, as long as the university gives no competitive advantage or preferential treatment to the lender or trade association related to its education loan activity in exchange for such support.

C-D. Preferred Lender Lists

In the event the university promulgates a list of preferred or recommended lenders or similar ranking or designation (“preferred lender list”), the following restrictions and provisions apply:

1. Every brochure, web page, or other document that sets forth a preferred lender list must clearly disclose, textually or by clearly designated hyperlink, the process and criteria by which the university selected lenders for said preferred lender list, including but not limited to the payment of origination fees, competitive interest rates or other terms, high-quality servicing, and additional benefits beyond the standard terms. The list will be compiled without prejudice and for the sole benefit of the students attending the institution.

2. Every brochure, web page, or other document that sets forth a preferred lender list or identifies any lender as being on said preferred lender list must state in the same font and same manner as the predominant text on the document that students and their parents have the right and ability to select the education loan provider of their choice, are not required to use any of the lenders on said preferred lender list, and
will suffer no penalty from the university for choosing a lender that is not on said preferred lender list. Borrowers will not be auto-assigned to any particular lender.

3. Every brochure, web page, or other document that sets forth a preferred lender list or identifies any lender as being on said preferred lender list must state in the same font and same manner as the predominant text any affiliations between the lenders on the preferred lender list.

4. The university’s selection of preferred lenders and the university’s decision as to where or how prominently on the list the lending institution’s name appears must be based solely on the best interests of student and parent borrowers, using stated criteria that are limited to benefits provided to borrowers (such as competitive interest rates and repayment terms, quality of loan servicing, and whether loans will be sold), and the ability to work efficiently and effectively with the university to process loans, without regard to the pecuniary interest of the university or to any benefits provided by lending institutions to the university or any of the university’s officers, trustees, directors, agents or employees or their family members. The university’s selection of any preferred lender must be limited to the types of loans for which that lender has been selected, based on the benefits to the borrower for those types of loans, and the university’s preferred lender list must indicate the types of loans for which each lender has been selected as a preferred lender. Nothing in this provision is intended to restrict the university’s ability to exercise its discretion in making its own final judgment about which lenders best meet the university’s criteria and the needs of its student and parent borrowers.

5. The university must review its preferred lender list at least annually.

6. The university must require that all preferred lenders commit in writing to disclose to the borrower at the time a loan is issued: (a) whether the loan may be sold to another lender; (b) that the loan terms and benefits will not change if the loan is sold to another lender; and (c) that the loan benefits may change if the borrower chooses to consolidate his or her loans.

7. The university must ensure that any preferred lender list that it publishes to students contains no less than two (2) unaffiliated lending institutions for private loans.

D.E. Prohibition of Lending Institutions’ Staffing of University Financial Aid Offices

1. No employee or other agent of a lending institution may staff the university financial aid offices at any time, either directly or through call center staffing. The university must ensure that no employee or other representative of a lending institution is ever identified to students or prospective students of the university or their parents as an employee or agent of the university. The foregoing prohibitions notwithstanding, if the university believes that it would benefit students, the university may allow representatives of lenders to conduct informational sessions, such as exit interviews and presentations on loan payment and loan consolidation.
options, as long as: (a) student attendance is voluntary; (b) a university representative explains that other lenders may provide similar services; (c) the affiliation of the lender representative is disclosed at the start of the presentation; (d) the lender representative does not promote the products or services of any lender; and (e) the university takes reasonable steps to ensure compliance with the requirements of this paragraph.

2. In the event that the university permits a lender to conduct information sessions or exit interviews as set forth in subsection E.1., the university must retain control of any interview or presentation offered by lenders. Control may be evidenced by: (a) a university employee attending such interview or presentation; (b) the university recording or videotaping the interview or presentation; or (c) with respect to an exit interview conducted electronically via the internet, the university creating or approving in advance the content of an electronic exit interview conducted electronically.

E.F. Proper Execution of Master Promissory Notes

The university will not link or otherwise direct potential borrowers to any electronic master promissory note or other loan agreement unless the master promissory note or agreement allows borrowers to enter the lender code or name for any lender offering the relevant loan, or the university’s link to the electronic master promissory note or agreement informs borrowers of alternative means of entering into a master promissory note or agreement with any lender of the borrower’s choice. Any information the university provides to borrowers about completing a master promissory note or agreement with a preferred lender must provide the information required in subsections II.D.1 and II.D.2. This paragraph will not apply to telephone conversations in which a student merely seeks assistance in completing the master promissory note and has already selected a lender.

E.G. Revolving Door Prohibition

1. In the event the university hires an employee who will be employed in its financial aid office of the university, or who otherwise will have responsibilities with respect to higher education loans or other financial aid and such employee was employed by a lender during the 12-month period prior to the date of hire by the university, such employee is prohibited from having any dealings or interactions with such lender on behalf of the university for a period of 12 months from the date such employee’s employment with the lender was terminated.

2. In the event a lender hires an employee who was employed by the university during the 12-month period prior to the date of such employee’s hire by the lender, the university is prohibited from having any dealings or interactions with such employee that relate to financial aid or higher education loans for a period of 12 months from the date such employee’s employment with the university was terminated.
G-H. Information Provided by Financial Aid Offices

1. Information provided by the financial aid office must be accurate, unbiased, and not reflect preference arising from actual or potential personal gain.

2. Institutional award notifications and/or other institutionally provided materials will include the following: (a) a breakdown of individual components of the institution’s cost of attendance, designating all potential billable charges; (b) clear identification of each award, indicating type of aid—(i.e. gift aid (grants, scholarships), work, or loans); (c) standard terminology and definitions; and (d) renewal requirements of each award.

3. All required consumer information is displayed in a prominent location on the institutional website(s) and in any printed materials, easily identified and found and labeled as “consumer information.”

4. All employees of the financial aid office will disclose to the institution any involvement, interest in, or potential conflict of interest with any entity with which the institution has a business relationship.


Responsible for Implementation: Provost and Vice President for Academic Affairs

Contact for Revision: Office of Financial Aid and General Counsel

Forms: None

Board Committee Assignment: Academic and Student Affairs Committee
POLICY SUMMARY FORM

Policy Name: Food Services

Policy Number: 10.2

Is this policy new, being reviewed/revised, or deleted? Delete

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: Vice President for University Affairs

Purpose of Policy (what does it do):

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Policy only reflects procedure and is not needed.

Additional Comments:

Reviewers:

Sam Smith, Director Student Services/Director of Student Center
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Food Services TO BE DELETED

Original Implementation: January 20, 1998
Last Revision: November 2, 2015

The university is committed to providing students the opportunity to participate in the selection—
and evaluation of the food service provider. Students are encouraged to participate by attending—
regularly scheduled meetings of the Food Service Advisory Committee. The advisory committee—
provides the director of student services and food service provider with immediate feedback on—
issues and concerns of the students.

Cross Reference: None

Responsible for Implementation: Vice President for University Affairs—

Contact for Revision: Director of Student Services/Director of Student Center—

Forms: None

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Information Security for Portable Devices

Policy Number: 14.6

Is this policy new, being reviewed/revised, or deleted? Delete

Date of last revision, if applicable: 4/24/2018

Unit(s) Responsible for Policy Implementation: Vice President for University Affairs

Purpose of Policy (what does it do):

Reason for the addition, revision, or deletion (check all that apply):

☐ Scheduled Review  ☐ Change in law  ☐ Response to audit finding

☒ Internal Review  ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Key provisions incorporated into new omnibus IT policy

Additional Comments:

Reviewers:

Anthony Espinoza, Chief Information Officer
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Information Security for Portable Devices

Original Implementation: October 18, 2011
Last Revision: April 24, 2018

The information resource owner, or designee, is responsible for ensuring that the risk mitigation measures described in this policy are implemented. All Users are responsible for safeguarding university data.

Definitions:

Confidential Information—Information that is protected from disclosure requirements under the provisions of applicable state or federal law, e.g., Family Educational Rights and Privacy Act (FERPA), The Texas Public Information Act.

Information Resources (IR) – The procedures, equipment, and software that are designed, employed, operated, and maintained to collect, record, process, store, retrieve, display, and transmit information or data.

Information Resource Owner—an entity responsible for:

• a business function; and,
• determining controls and access to information resources supporting that business function.

Portable Computing Device—Any portable device that is capable of capturing, processing, storing, and transmitting data to and from the SFA information resources.

Portable Storage Device—Any portable device that stores electronic data.

Remote Access—The act of using a computing device to access another computer/network from outside of its established security realm (e.g., authentication mechanism, firewall, or encryption).

Risk Mitigation Measures:

• Portable computing devices, containing confidential information will be protected from unauthorized access by passwords or other means.
• Any confidential information stored on portable computing or storage devices will be encrypted with an appropriate encryption technique.
• All remote access to confidential information from a portable computing device will utilize encryption techniques, such as virtual private network (VPN), secure file transfer protocol (SFTP), or secure sockets layer (SSL).
• Confidential information will not be transmitted via wireless connection to, or from, a portable computing device unless encryption methods that appropriately secure wireless transmissions, such as virtual private network (VPN), encrypted Wi-Fi, or other secure-encryption protocols are utilized.

• Unattended portable computing or storage devices, containing confidential information, will be kept physically secure using means appropriately commensurate with the associated risk.

• Where appropriate, keep portable computing devices patched/updated, and install anti-virus software and a personal firewall.


Responsible for Implementation: Vice President for University Affairs

Contact for Revision: Information Security Officer

Forms: None

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Kennedy Auditorium

Policy Number: 16.14

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 7/28/2015

Unit(s) Responsible for Policy Implementation: Provost and Vice President for Academic Affairs

Purpose of Policy (what does it do): Scheduling and use of Kennedy Auditorium is pursuant to Use of University Facilities (16.33).

Reason for the addition, revision, or deletion (check all that apply):

- Scheduled Review
- Change in law
- Response to audit finding
- Internal Review
- Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Revisions include minor changes in wording regarding the use of tobacco products.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Academic Policies Committee
Steve Bullard, Provost and Vice President for Academic Affairs
Damon Derrick, General Counsel
Kennedy Auditorium

Original Implementation: September 1, 1975
Last Revision: July 28, 2015 October 29, 2018

Auditorium Operating Policy

Scheduling and use of Kennedy Auditorium is pursuant to Use of University Facilities (16.33). The dean of the College of Sciences and Mathematics is the administrator of the facility and its operating policies. Nothing contained in this policy will be construed to prohibit or hinder the operation of Kennedy Auditorium in pursuing the university’s mission. All activities associated with that mission will have priority in the use of this facility.

Priority of Users

Because Kennedy Auditorium is an academic and a special events venue, its use will be restricted according to the following prioritized categories:

Category I – Events sponsored by the College of Sciences and Mathematics and other activities that are a necessary adjunct to academic programs in the College of Sciences and Mathematics.

Category II – Events sponsored by university administration, academic units or student organizations.

Category III – Events sponsored by non-university groups, subject to the regulations described herein and university policy 16.33, Use of University Facilities.

Reservation Procedures

Reservations for all functions in Kennedy Auditorium are made through the office of the dean of the College of Sciences and Mathematics. A facility reservation agreement form must be completed and approved by the dean. Verification will be required that space is not available in the Baker Pattillo Student Center prior to a student organization being given permission to use Kennedy Auditorium. The dean will act as arbitrator in circumstances where scheduling conflicts cannot be resolved. No fee will be charge for the use of the auditorium. Groups/organizations may charge a fee or take a donation for their event if lawful to do so.

General Operating Regulations

1. No signs, messages or other materials may be posted, displayed, distributed or announced in, on, or adjacent to Kennedy Auditorium by the user or sponsor without prior written approval by
the dean of the College of Sciences and Mathematics. Such materials may not be fastened to any part of the facility except in spaces provided for that purpose and may not be permitted to interfere with crowd movement and safety.

2. Safety regulations, as determined by the Kennedy Auditorium facilities director and the university safety officer, will govern all areas of Kennedy Auditorium.

3. A walk-through of the auditorium with the facilities director must take place prior to and at the conclusion of the event. The sponsor of the organization must be present for the walk-through.

4. The user organization is responsible for the conduct of its representatives, members and guests of the event while in Kennedy Auditorium. Organizations with a history of conduct violations during previous use of Kennedy Auditorium may be denied subsequent use.

5. In accordance with Smoking, Vaping and Use of Tobacco Products (13.21), Kennedy Auditorium is a non-smoking facility. Smoking, vaping and using tobacco products and smoking is prohibited within 20 feet of any entrance/exit. In addition, the use of electronic cigarettes is prohibited in the auditorium.

6. The user must specify hours of occupancy and may not have any activities in the facility other than at those times.

7. All university equipment will be operated by trained personnel employed by the university and/or approved by the Kennedy Auditorium facilities manager.

8. Kennedy Auditorium will not provide any multimedia equipment. If the user requires this for the event, they will need to contact Baker Pattillo Student Center Reservations, make the necessary arrangements and be responsible for any expense.

9. The user must obtain approval from the Kennedy Auditorium facilities manager before placing any equipment on the stage. All decorations will be installed without defacing the building and will be subject to the supervision and approval of the Kennedy Auditorium facilities manager.

10. The user organization will not allow beverages, food, gum or refreshments of any kind to be sold, brought into, or served in Kennedy Auditorium. No refreshments will be taken onto the stage, into the backstage areas, or into the auditorium at any time. Exceptions must be approved by the Kennedy Auditorium facilities manager.

11. All users and sponsors will be responsible for payment for damages to the facility, its fixtures and equipment, whether caused by the user, sponsor or its patrons.

12. The user organization will leave the facility, including the stage area, backroom and access areas, clean and clear after the event.

13. A cancellation notice of 48 hours is required. Failure to do so may result in denial of any future use of the facility.

14. The university will not be responsible for items left in the auditorium.

**Cross Reference:** Use of University Facilities (16.33); Smoking, Vaping and Use of Tobacco Products (13.21)

**Responsible for Implementation:** Provost and Vice President for Academic Affairs
Contact for Revision: Dean of the College of Sciences and Mathematics

Forms: Facility Reservation Agreement; Walk-Through Checklist

Board Committee Assignment: Building and Grounds Committee
POLICY SUMMARY FORM

Policy Name: Notary Public

Policy Number: 2.8

Is this policy new, being reviewed/revised, or deleted?  Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy provides that the vice president will ensure sufficient public notaries on the university campus.

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review       ☐ Change in law       ☐ Response to audit finding

☐ Internal Review        ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: None.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Damon Derrick, General Counsel
Notary Public

Original Implementation: Unpublished
Last Revision: November 2, 2015\textit{October 29, 2018}

It is the responsibility of each vice president to ensure that a sufficient number of public notaries are present, as needed to conduct university business, in each major university division.

Each vice president shall establish procedures for approving, in writing, an employee’s application for notary commission, and be responsible for communicating the state’s notary application process. University funds may be used to purchase the necessary supplies. Employees shall obtain all required supplies (notary seal or stamp, notary public record book, etc.) through procurement and property services.

Cross Reference: Tex. Gov’t Code Ch. 406

Responsible for Implementation: President

Contact for Revision: President

Forms: Special Application, State Employee Notary Acknowledgement Form

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Oral English Proficiency Program

Policy Number: 5.14

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 1/27/2015

Unit(s) Responsible for Policy Implementation: Provost and Vice President for Academic Affairs

Purpose of Policy (what does it do): Texas state law requires instruction at public colleges and universities be delivered in understandable English.

Reason for the addition, revision, or deletion (check all that apply):

- [ ] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Revisions include basic edits for clarification purposes.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Academic Affairs Policy Committee
Steve Bullard, Provost and Vice President for Academic Affairs
Damon Derrick, General Counsel
Oral English Proficiency Program

Original Implementation: September, 1990
Last Revision: January 27, 2015, October 29, 2018

Legislation enacted by the Texas Legislature requires instruction at public colleges and universities to be delivered in understandable English. Each public institution is required to adopt a policy establishing a procedure to ensure that proficient English is spoken by all faculty members. "Faculty member" means a person who teaches a course offered for academic credit by an institution of higher education, including teaching assistants, instructors, lab assistants, research assistants, lecturers, assistant professors, associate professors and full professors.

It is the responsibility of academic deans and unit heads to monitor the English proficiency of current faculty and to address deficiencies where there is a need.

A faculty member may use a foreign language to conduct foreign language courses designed to be taught in a foreign language. Additionally, an exception will be allowed in cases of joint international programs where the course may be taught in the language of the visiting faculty member. A faculty member may also provide individual assistance during course instruction to a non-English-speaking student in the native language of the student.

Enforcement

All persons applying for a position at the university that involves course instruction will be required to indicate on The New Employee Work Authorization Questionnaire whether English is their primary language. Aside from native speakers, an individual’s primary language will be considered English if he/she completed an undergraduate or graduate degree at an accredited institution of higher education in the United States, not including U.S. Territories.

Newly hired faculty members, as defined in this policy, who do not identify English as their primary language must will demonstrate their oral proficiency in English through a two-part assessment:

2. Receive a rating of oral English proficiency by take and pass a locally administered interview-based speaking and listening assessment by a two-person team from the university’s English Language Institute (ELI) through observation of a regularly scheduled class during the first two weeks of the initial academic term.

Allow observation of a regularly scheduled class by a two-person team from the university’s English Language Institute (ELI). The observation will occur during the first two-
The academic unit head will place in the faculty member’s employment file the results of these oral proficiency performances. A copy of the English proficiency outcome will be forwarded to the appropriate dean.

Refusal by an individual to participate in any assessment of his/her academic English competency will result in appropriate action being taken by the university, up to and including termination of employment.

Faculty members who do not demonstrate proficiency in oral English will be allowed one year to complete successfully the level four Speaking and Listening course of the ELI program. Texas law requires the faculty member to bear the costs of the program. Unsatisfactory performance in this course will result in appropriate action being taken by the university, up to and including termination of employment.


Responsible for Implementation: Provost and Vice President for Academic Affairs

Contact for Revision: Provost and Vice President for Academic Affairs

Forms: None

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Organized Work Stoppage

Policy Number: 11.18

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy prohibits an organized work stoppage by all university employees.

Reason for the addition, revision, or deletion (check all that apply):

☐ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Policy updated to specifically state that an organized work stoppage is prohibited. The unit responsible for implementation has been moved to vice president for finance and administration with human resources the contact for revision in order to move this employment-related policy under the proper authority.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Damon Derrick, General Counsel
Organized Work Stoppage

Original Implementation: October 21, 1978
Last Revision: November 2, 2015, October 29, 2018

Participation by any employee in an organized work stoppage has been declared to be against the public policy of the state of Texas. *No employee of the university may strike or engage in an organized work stoppage against the university.* In any case when there is substantial evidence to indicate that an organized work stoppage exists in any division or department of the university, an employee reporting ill shall send to the administrative head of his/her department or division a doctor's certificate showing the cause or nature of the illness to be entitled to sick leave pay.

Cross Reference: Tex. Gov’t Code Ch. 617

Responsible for implementation: President, Vice President for Finance and Administration

Contact for Revision: President, Director of Human Resources

Forms: None

Board Committee Assignment: Academic and Student Affairs
Policy Name: Outside Employment

Policy Number: 11.19

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: Vice President of Finance and Administration

Purpose of Policy (what does it do): The policy outlines the guidelines for reporting and gaining approval for employment outside of SFA.

Reason for the addition, revision, or deletion (check all that apply):

- [x] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Content regarding dual employment taken from Dual Employment (11.7) was moved to this policy. Having two policies confused employees and hampered reporting.

Additional Comments:

Reviewers:

Loretta Doty, Director of Human Resources
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel
Outside Employment

Original Implementation: April 21, 1981
Last Revision: November 2, 2015; October 29, 2018

Purpose

This policy outlines the requirements of Stephen F. Austin State University (SFA) employees in reporting outside employment that is in addition to their employment at SFA. This policy applies to all full-time employees of SFA except positions that require enrollment as a student of Stephen F. Austin State University, including officers of the University Police Department.

Definitions

Outside employment, for purposes of university policy, is engagement in any activity for a fee, salary, wages, or other financial arrangement other than for Stephen F. Austin State University SFA for a fee, salary, or wages. Examples include dual employment with another entity in Texas government, establishing or joining a firm, private business, or engaging in the private practice of some professional skill, or working at another job.

Dual employment is engagement in any activity for a fee, salary or wage at another state agency or institution of higher education other than SFA.

General

University employees who propose to engage in outside employment activities must adhere to the following guidelines and any applicable laws:

1. An individual desiring permission to engage in outside employment must complete the Request for Approval of Outside Employment form and route it through administrative channels to the appropriate vice president (or president if no vice president oversees the office) for approval, prior to beginning outside employment. After initial approval of the outside employment, the employee will annually disclose or update such outside employment in the Employee Annual Conflict of Interest Disclosures.

2. Proper performance of the employee’s university assignment is paramount and outside work will assume a position secondary to university duties.

3. The employee may not use any materials or facilities of Stephen F. Austin State University SFA in the course of outside employment.

4. The employee will make a reasonable effort to assure that his/her outside employment is not identified with Stephen F. Austin State University SFA.

5. The employee cannot perform any outside employment within the hours in which they are also being compensated for employment with SFA.
In addition, the following guidelines and constraints are applied for dual employment:

1. Separate leave records will be maintained for each employment.
2. Time worked in one position may not be used as additional tenure credit for purposes of longevity or annual leave accrual for the other position.
3. Upon termination of one employment, the leave balances accrued under that employment may not be transferred to the remaining employment.
4. The state’s contribution towards the taxes imposed on the employee by the Federal Insurance Contributions Act may not exceed the overall limit specified in the General Appropriations Act. The comptroller shall prescribe such uniform accounting and reporting procedures as necessary to ensure that expenditures for this purpose do not exceed this limit.
5. The total state contribution toward the employee’s group insurance will be limited to no more than the amount specified in the General Appropriations Act for one full time active employee.
6. The employee will be entitled to receive longevity payment for no more than one employment.
7. Overtime compensation will accrue for each employment totally independent of the other, except that when an employee works in a dual employment capacity where the employee is subject to the overtime provisions of the Fair Labor Standards Act (FLSA) of 1938, 29 U.S.C., sec. 201 et seq., in either employment, the employing agency or agencies must consider all combined time worked in excess of 40 hours per week as overtime and compensate the employee in accordance with the FLSA provisions applicable to joint employment relationships. In cases where the dual employment is with two separate agencies, the two agencies shall coordinate in order to determine which agency shall have the responsibility to assure that the employee is properly compensated in accordance with such provisions.

Each vice president will provide a summary report to the president of individuals in their division approved for outside employment by October 31 of each year.

An individual desiring permission to engage in outside employment must complete the Request for Approval for Outside Employment form and route it through administrative channels to the appropriate vice president (or president if no vice president oversees the office) for approval, prior to beginning outside employment. After initial approval of the outside employment, the employee will annually disclose or update such outside employment in the Employee Annual Conflict of Interest Disclosures. The department of human resources will provide a summary report of individuals approved for outside employment to the dean or director and appropriate vice president or the president by October 31 of each year.

Responsible for Implementation: President; Vice President for Finance and Administration

Contact for Revision: President; Director of Human Resources

Forms: Request for Approval of Outside Employment form is available on the human resources website; Employee Annual Conflict of Interest Disclosures.

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Reduction in Force Non-Academic Employees

Policy Number: 11.23

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): The policy outlines the process for a reduction in the workforce for non-academic employees.

Reason for the addition, revision, or deletion (check all that apply):

- [x] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Only minor changes were made in the content. The policy implementation responsibility and revision contact for the policy were delegated to the appropriate university division.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Loretta Doty, Director of Human Resources
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel
Reduction in Force of Non-Academic Employees

Original Implementation: July 28, 1986
Last Revision: November 2, 2015 October 29, 2018

Purpose

This policy establishes a process for effecting a reduction in force of non-academic employees.

Definitions

A reduction in force is defined as a layoff of a segment of the work force due to a lack of work, reduction in funding, or reorganization. It is an involuntary termination of employment not involving delinquency or misconduct.

General

The president of the university may implement a reduction in force in order to meet operating expenses and maintain sound reserves without diminishing capital or generating unwise or impermissible indebtedness. Prior to the implementation, the president shall consult with the vice presidents and other administrators of the president’s choice. The consultation shall include a discussion of:

- anticipated income and expenditures;
- retrenchment measures which have been taken;
- reasonable alternatives to reduction in force; and,
- other matters the president deems appropriate.

Regular, full-time employees will be given preference for retention over probationary, part-time or temporary employees. Length of service with the university, ability to perform the remaining work in the affected department, and critical skills required for the remaining work shall be weighed equally in selecting employees for layoff. The university will make every effort to place potentially affected employees in vacant positions for which they qualify. Employees who are laid off as a result of a reduction in force will be given priority consideration for vacant positions for which they qualify. If there are no suitable job openings at the university, human resources will provide reasonable assistance to affected employees in finding positions outside the university.

Methodology

A director or other administrator who is instructed by the president to accomplish a reduction in force will prepare a work force profile on all employees in the affected
department or program. The work force profile shall indicate the number of positions to be abolished, discontinued or vacated, and the names, job titles, length of service and classification (temporary, probationary, or full-time, regular) of the affected employees. The director or other administrator shall list the employees recommended for separation on a reduction-in-force roster and forward the roster and the work force profile through the appropriate vice president to the director of human resources.

The director of human resources shall review and certify that the reduction-in-force roster complies with the provisions of this policy. After certification, every affected department's roster shall be sent to the president for final approval.

Upon approval by the president, the director or other administrator of the department will meet with each affected employee, review the reason for the reduction in force, provide the employee with written notification of separation and refer the employee to human resources. Whenever possible, a written notification should be given at least sixty (60) days prior to the effective date of the reduction in force.

Each affected employee will either submit an updated resume or complete a new online application as directed by human resources. Human resources will review the resume or application prior to interviewing the employee. If there are suitable openings with the university, the employee will be referred to those job vacancies for which the employee is qualified.

If there are no suitable openings, the university may replace an employee in one department with an employee who has more seniority in the same or other department. The university may exercise this option in cases where both employees are in the same or similar job classification according to the university's validated job descriptions, or the employee will be provided with placement assistance for positions outside the university. The affected employee who is transferred under this option shall receive the compensation budgeted for the position to which the employee has been transferred.

Human resources will provide each affected employee with information regarding unemployment benefits from the Texas Workforce Commission and other available assistance. Employees who are laid off as a result of a reduction in force will be recalled to the next available position for which they qualify. The right to recall shall be granted on a priority basis. Length of service with the university, ability to perform the work in the affected department and critical skills required for the work shall be weighed equally in selecting employees for recall.

A notice of recall shall be sent to affected employees at the last known address according to university records. A reasonable period of time not to exceed seven (7)
days will be allowed for the affected employee to reply. The university may grant written extension when there are extenuating circumstances.

The right to recall shall cease six (6) months after layoff. An employee on layoff from the university who rejects a recall or job offer for a position for which he/she qualifies shall forfeit further rights to recall.

Each employee who is laid off as a result of a reduction in force may appeal the decision in accordance with the procedure for category I grievances under the Grievance and Appeals Procedure for Non-Academic Employees policy. The appeal shall begin at step three. The burden of proof is on the employee, and the scope of the review is limited to the opportunity for the employee to establish that the layoff was made on a constitutionally impermissible or unlawful basis or an arbitrary or capricious basis, or that this policy was substantially violated.

**Cross Reference:** Worker Adjustment and Retraining Notification Act (29 U.S.C. 2101, et seq.); Financial Exigency (3.15); Discontinuance of Program or Academic Unit (5.9); Grievance and Appeals (11.15).

**Responsible for Implementation:** President, Vice President for Finance and Administration

**Contact for Revision:** President, Director of Human Resources

**Forms:** None

**Board Committee Assignment:** Academic and Student Affairs
Policy Name: Selection of Vice Presidents, Athletic Director, and Head Coaches

Policy Number: 1.8

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy provides the authority for the Board of Regents to be notified of a vacancy and engage in the selection of a vice president, athletic director, or head coach.

Reason for the addition, revision, or deletion (check all that apply):
☑ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: None.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Damon Derrick, General Counsel
Selection of Vice Presidents, Athletic Director, and Head Coaches

Original Implementation: April 21, 1998
Last Revision: November 2, 2015; October 29, 2018

The chair of the Board of Regents shall be notified in the event of a vacancy in the positions of vice president, athletic director, and head coaches. The Board of Regents may participate at its discretion in the selection of the vice presidents, athletic director and head coaches prior to the obligation of those positions.

Cross Reference: None

Responsible for Implementation: President

Contact for Revision: President

Forms: None

Board Committee Assignment: Academic and Student Affairs Committee
POLICY SUMMARY FORM

Policy Name: Terminal Degrees

Policy Number: 7.30

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 4/14/2015

Unit(s) Responsible for Policy Implementation: Provost and Vice President for Academic Affairs

Purpose of Policy (what does it do): To comply with Southern Association of Colleges and Schools (SACS) reaccrediation standards that require an institutional statement about terminal degrees.

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: There were no substantive changes made to the policy, only minor grammatical revisions.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Academic Affairs Policy Committee
Steve Bullard, Provost and Vice President for Academic Affairs
Damon Derrick, General Counsel
Terminal Degrees

**Original Implementation:** July 21, 2009
**Last Revision:** April 14, 2015 October 29, 2018

Stephen F. Austin State University is committed to maintaining a high quality faculty. Toward that end, the university aspires to recruit and retain faculty members with terminal degrees in their disciplines. A terminal degree is defined as the generally accepted highest degree in a field of study.

As a general rule, possession of an earned doctorate or other recognized terminal degree from an accredited institution in an area appropriate to the individual’s discipline will be required for appointment to a tenure-track or tenured faculty position.

Exceptions to the requirement of a terminal degree may be made by the provost and vice president for academic affairs, but only upon recommendation by the academic unit head and dean of the college. The following circumstances may justify approval of an exception to the requirement of an earned doctorate or other recognized terminal degree in a discipline-related field: (a) well-documented preparation and experience appropriate to the discipline that meets accreditation standards; or (b) exceptional preparation and experience for instruction in a discipline when the faculty member has a doctorate or other recognized terminal degree in another area.

Terminal degree requirements for appointment to a tenure-track position will be clearly stated in position announcements.

Where appropriate, an offer of employment will provide the time period in which the terminal degree must be completed.

Verification of a completed terminal degree will require an official transcript sent directly to the Office of Academic Affairs by the degree-granting institution.

**Cross Reference:** Academic and Professional Qualifications (7.1); Academic Appointments and Titles (7.2); File Maintenance for Faculty Personnel Files (4.6)

**Responsible for Implementation:** Provost and Vice President for Academic Affairs

**Contact for Revision:** Provost and Vice President for Academic Affairs
**Forms:** Faculty Certification of Credentials; Recommendation for Appointment

**Board Committee Assignment:** Academic and Student Affairs
Policy Name: Ticket Office Services

Policy Number: 16.29

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: Student Services

Purpose of Policy (what does it do): Authorizes Student Center to sell tickets on behalf of organizations

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Added contact.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Sam Smith, Director Student Services/Student Center
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Ticket Office Services

**Original Implementation:** May 6, 1985  
**Last Revision:** November 2, 2015 / October 29, 2018

The services of the SFA Ticket Office (Ticket Office) are primarily for the use of campus organizations and campus departments. Services may be offered to non-university groups if there is a benefit to the university. There may be a fee charged for services provided to non-university groups.

To request use of Ticket Office services, an official representative of the organization, department or group making the request must complete a Consignment Ticket Agreement. The Ticket Office manager will notify this representative if the request is approved and when tickets can be delivered for sale. The request for service must be made at least 24 hours prior to the time sales are requested to begin. Tickets should go on sale no earlier than three (3) weeks prior to an event.

Once tickets are delivered for sale, the number of tickets consigned must be verified and agreed upon by the group representative and the Ticket Office.

For general admission events, tickets must be consecutively numbered. For reserved seat events, tickets must be accompanied by a seating plan (chart). Prices must be printed on the face of the ticket.

The Ticket Office is responsible only for the number and type of tickets it accepts. Deposits will be made into a university account. Final accounting will take place within two (2) working days following the event. Payments for tickets sold for groups without university accounts will be made by university check no earlier than two weeks following the acceptance of the final accounting by an authorized representative of the group. A final Ticket Office statement will be provided to the official representative of the group upon request.

**Refunds**

The Ticket Office sells tickets on a no refund and no exchange basis unless the event for which the ticket was purchased is cancelled. In the case of a cancellation, refunds processed by the Ticket Office will be only for those tickets originally sold or placed on consignment in other outlets by the Ticket Office. Tickets may not be refunded by consignment outlets.

**Cross Reference:** None

**Responsible for Implementation:** Vice President for University Affairs
Contact for Revision: Director of Student Services/Director of Student Center

Forms: Consignment Ticket Agreement

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: U.S. Patriot Act

Policy Number: 11.31

Is this policy new, being reviewed/revised, or deleted?  Delete

Date of last revision, if applicable: 4/15/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): The policy exists to describe the university’s responsibilities to comply with federal law regarding terrorism.

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review  ☐ Change in law  ☐ Response to audit finding

☐ Internal Review  ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: The policy is obsolete. There are no current major provisions under the U.S. Patriot for which the university would be responsible that merit a policy. The current policy includes provisions to ensure oversight of certain biological chemicals purchased at SFA and the reporting requirements. The select agents are identified by the U.S. government, and SFA’s laboratories are not equipped to handle these types of chemicals/biologicals. Since we do not have any select agents on campus there is no need for us to report. Before SFA could ever purchase these types of select agents we would have to have a major upgrade to our laboratories, which would trigger the reporting of the individuals.

Additional Comments:
Reviewers:

Loretta Doty, Director of Human Resources
Jeremy Higgins, Director of Environmental Health, Safety and Risk Management
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel
The USA Patriot Act, otherwise known as Uniting and Strengthening America by Providing--Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT--ACT) makes it unlawful for certain individuals to work with specific biological agents, toxins—and delivery systems.

SFA has a small number of faculty, staff and graduate assistant positions that are affected by—compliance with this act. For those hired prior to the act and affected by this compliance, the—hazardous materials officer will identify and document compliance. Employees with access to—the select agents are to be investigated by the federal government. The hazardous materials—officer shall submit the employee's names to the US Department of Health and Human Services—and the attorney general for investigation. Upon completion of the investigation, the attorney—general will promptly notify the secretary and the secretary shall promptly inform SFA whether—the employee is granted or denied access.

In order to respond to the requirement with respect to future job vacancies, the Human Resources—selection procedure shall include a statement concerning the USA Patriot Act for restricted—positions and instructions for compliance. When Human Resources receives a request to—advertise a restricted position, additional screening questions will be required of applicants to—determine if they meet minimum qualifications before they can be referred for the final hiring—decision. The selected candidate will be required to complete a "Statement of Eligibility to—Handle Select Biological Agents or Toxins" form. This form should satisfy and address the—minimum qualifications and compliance for a final hiring decision or for a person already—occupying a position prior to the act's inception.

For additional details on the USA Patriot Act refer to the Human Resources website for the USA—Patriot Act—Frequently Asked Questions.

Cross Reference: Uniting and Strengthening America by Providing Appropriate Tools Required—to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT ACT) and subsequent—reauthorizations; Public Health Security and Bioterrorism Preparedness and Response Act of—2002

Responsible for Implementation: President

Contact for Revision: Director of Human Resources
Forms: Statement of Eligibility to Handle Select Biological Agents or Toxins

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Use of Electronic Information Resources

Policy Number: 16.32

Is this policy new, being reviewed/revised, or deleted? Delete

Date of last revision, if applicable: 4/24/2018

Unit(s) Responsible for Policy Implementation: Vice President for University Affairs

Purpose of Policy (what does it do):

Reason for the addition, revision, or deletion (check all that apply):

- [ ] Scheduled Review
- [ ] Change in law
- [x] Internal Review
- [ ] Response to audit finding
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision:

Specific rationale for deletion of policy: Key provisions incorporated into new omnibus IT policy

Additional Comments:

Reviewers:

Anthony Espinoza, Chief Information Officer
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Use of Electronic Information Resources

Original Implementation: July 25, 2002
Last Revision: April 24, 2018

STATEMENT

Stephen F. Austin State University (SFA) supports the responsible use of its electronic information resources. SFA’s information resources include, but are not limited to, computers, servers, wired and wireless networks, computer-attached devices, network-attached devices, voice systems, cable systems and computer applications. The use of information resources is for SFA academic activities, research and public service. Access to SFA’s information resources is, however, a privilege. All users of information resources should act responsibly to maintain the integrity of these resources. Furthermore, all users will abide by all existing SFA codes of conduct as well as local, state and federal statutes. SFA reserves the right to limit, restrict or extend privileges and access to its resources.

RESPONSIBILITIES

- It is the responsibility of all individuals using SFA’s information resources to protect the privacy of their account(s). Personal account information should not be released to friends, relatives, roommates, etc. Users are responsible for the security of their passwords.
- All individuals using SFA information resources are prohibited from using a computer account for which they are not authorized, or obtaining a password for a computer account not assigned to them.
- The owner or designated assignee of a computer that is attached to the SFA network is responsible for both the security of the computer system and for any intentional or unintentional activities from or to the network connections. Owners or designated assignees are responsible for all network activity originating from their equipment, regardless of who generates it.
- Any person operating a network-intensive application or a defective computer that causes network overload will be notified, and steps will be taken to protect other users and the overall SFA network. This may include disconnecting the defective computer system from the network until the problem is resolved. If the condition is an imminent hazard to the SFA network or disrupts the activities of others, the defective computer system or the subnet to which it is attached may be disabled without notice. The operator of the defective computer system will be expected to follow instructions from information security staff for securing the machine.
- Any person using e-mail should not send unnecessary e-mails, attachments, or messages locally or over the network.
• The content of any files or services made available to others over the network is the sole responsibility of the person with ownership of and/or administrative authority over the computer providing the service. It is this person's responsibility to be aware of all applicable federal and state laws, as well as SFA policies. This person will be liable for any violations of these laws and policies.

• It is the responsibility of every person using SFA's information resources to refrain from engaging in any act that may seriously compromise, damage, or disrupt the operation of computers, terminals, peripherals, or networks.

• Users should refrain from using an IP address not specifically assigned to them and should not attempt to create unauthorized network connections or unauthorized extensions, or re-transmitting any computer or network services.

• All email messages of a personal nature sent by faculty, staff, and retirees using an SFA email address must contain the following disclaimer: “The views and opinions expressed in this message are my own and do not necessarily reflect the views and opinions of Stephen F. Austin State University, its Board of Regents, or the State of Texas.”

• All breaches of system security will be reported immediately to the information security officer.

INFRACTIONS

Examples of infractions include, but are not limited to:

• Circumventing or attempting to circumvent data protection schemes or exploiting security vulnerabilities.

• Running programs that attempt to identify passwords, weaknesses in the SFA system, or other security codes.

• Attempting to monitor or tamper with another user's data communications or network traffic, or reading, copying, changing, or deleting another user's files or software.

• Knowingly running or installing on any computer system or network, or giving to another user, a program intended to damage or to place an excessive load on a computer system or network. This includes, but is not limited to, programs known as computer viruses, Trojan horses and worms.

• Using SFA computer resources for private business or commercial activities (except where such activities are otherwise permitted or authorized), fundraising or advertising on behalf of non-SFA organizations, reselling of SFA computer resources and using SFA's name in an unauthorized manner.

• Engaging in unlawful communications, including threats of violence, obscenity, child pornography and harassing communications.

• Attempting to alter any SFA computing or networking components (including, but not limited to, switches, routers and data/phone/cable TV wiring) without authorization or
beyond one's level of authorization.
- Failing to comply with requests from appropriate SFA officials to discontinue activities that threaten the operation or integrity of computers, systems, networks, or otherwise violate this policy.
- Tampering with network components, blocking communication lines, interfering with the operational readiness of a computer, creating/operating, or providing unsanctioned servers such as personal Web servers, Network Address Translation (NAT), Dynamic Host Configuration Protocol (DHCP), Bootstrap Protocol (BOOTP), or File Transfer Protocol (FTP) servers, or delivering unsanctioned streaming audio, video, high-bandwidth gaming, or high-bandwidth video conferencing.

**PENALTIES**

Misuse of computing, networking, or information resources may result in the loss of computing privileges, as well as disciplinary action.

**PRIORITIES**

When demand for computing resources exceeds available capacity, priorities for their use will be enforced. The priorities for use of computing resources are:

- Highest: Uses that directly support the educational, research and service missions of SFA.
- Medium: Uses that indirectly benefit the education, research and service missions of SFA, as well as reasonable and limited personal communications.
- Lowest: Recreational use, including game playing and general browsing.
- Forbidden: Uses listed in the Infractions section of this policy, as well as breaches of the Responsibilities section not specifically listed under the Infractions section.

SFA may enforce these priorities by restricting or limiting usages in circumstances where their demand and limitations of capacity impact or threaten usages of higher priority.

**IMPLIED CONSENT & LIABILITY RELEASE**

All individuals with access to SFA computing resources are responsible for their appropriate use. Such use constitutes an agreement to comply with applicable SFA policies and regulations, with applicable city, state, and federal laws and regulations, and with applicable policies of the affiliated networks and systems.
Cross Reference: Information Security Management (14.1)

Responsible for Implementation: Vice President for University Affairs

Contact for Revision: Chief Information Officer

Forms: None

Board Committee Assignment: Academic and Student Affairs
POLICY SUMMARY FORM

Policy Name: Workplace Accommodations for Lactation/Breastfeeding

Policy Number: 11.33

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: Vice President for Finance and Administration

Purpose of Policy (what does it do): The policy outlines the requirements for accommodating nursing mothers to allow them to express breast milk during the workday.

Reason for the addition, revision, or deletion (check all that apply):
- [x] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: No substantive revisions. One statement was added to indicate that HR coordinates the process.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Loretta Doty, Director of Human Resources
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel
Workplace Accommodations for Lactation/Breastfeeding

**Original Implementation:** November 2, 2015

**Last Revision:** None

**Purpose**

The university is committed to providing and promoting a work environment that is supportive of nursing mothers. The university will provide reasonable accommodations for employees for the purposes of expressing breast milk during the workday. *Human resources will oversee the accommodation process.*

**Definitions**

**Employee** means an individual who is employed full-time, part-time, or in a temporary capacity as faculty or staff, or who is required to be a student as a condition of employment.

**General**

Nursing mothers may take a reasonable amount of break time as needed for the expression of breast milk. The frequency and duration of these breaks may vary as determined by the needs of the mother. Ideally, this break time will run concurrently with an employee’s paid break time. Supervisors will make separate or additional time available if it is not feasible for the lactation time to correspond with regular breaks. The additional time may be unpaid. If needed or desired, vacation time, compensatory time, or flexible scheduling may be used for this accommodation. If leave balances are used or if the time is unpaid, this time may count towards an employee’s family and medical leave (FMLA) entitlement.

**Designated Areas**

The university will provide appropriate and accessible space for employees to breastfeed or express milk in private. This location may be the employee’s regularly assigned workspace if there is adequate privacy to perform the activity. The location provided must be shielded from view and free from intrusion from other employees and the public. Areas such as restrooms or open cubicles are not considered appropriate spaces for the university to provide under this policy.

**Responsibilities**

Supervisors may not deny a lactating employee the right to express milk during the workday and should ensure that accommodations are administered consistently, equitably, and fairly.

Employees are to plan and organize their time to meet the job responsibilities established by their
supervisor. Employees are expected to complete or account for the required number of work hours in their respective workweek, unless otherwise agreed to by their supervisor or limited by their healthcare provider. Employees are to notify their supervisor of any changes needed to the agreed upon schedule in advance.

Retaliation

An employee may not be discriminated against, harassed, or otherwise retaliated against for asserting their right to express breastmilk.


Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Human Resources

Forms: None

Board Committee Assignment: Academic and Student Affairs
Policy Name: Campus Facilities for Political Purposes

Policy Number: 16.8

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy mirrors the Board Rules and Regulations prescribing when the university may suspend faculty and staff.

Reason for the addition, revision, or deletion (check all that apply):

- [ ] Scheduled Review
- [x] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: None

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Damon Derrick, General Counsel
Campus Facilities for Political Purposes

Original Implementation: April 27, 1970
Last Revision: November 2, 2015 October 29, 2018

While the use of the facilities of the university for partisan political assemblies and meetings is not normally encouraged, the faculty and administration, as members of a learned and honorable profession, may properly exercise their acknowledged individual rights and obligations of citizenship free of university discipline or censorship.

Individual political candidates and their election organizations are not permitted to reserve a university facility for campaign activities. However, if a candidate is invited by a university group, then he/she may appear in the facility, provided that the group extending the invitation is responsible for reserving the facility and meeting the costs related to the event.

No member of the Board of Regents shall undertake to influence the political opinions of personnel subject to the board’s jurisdiction, but such personnel are requested to exercise their individual rights or citizenship or academic freedom in a responsible manner reasonably calculated not to identify or associate with the university.

A university employee may not use his/her official authority or influence to coerce the political action of a person or body.

Cross Reference: Board of Regents Rules and Regulations; Tex. Gov’t Code § 556.004

Responsible for Implementation: President

Contact for Revision: President

Forms: None

Board Committee Assignment: Building and Grounds
Policy Name: Naming Guidelines

Policy Number: 1.5

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 7/28/2015

Unit(s) Responsible for Policy Implementation: Vice President for University Advancement

Purpose of Policy (what does it do): References guidelines for naming procedures.

Reason for the addition, revision, or deletion (check all that apply):
- [x] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy: N/A

Specific rationale for each substantive revision: To promote naming guidelines and procedures rather than listing specific price points; and to update language regarding duration of naming and reserving right to remove previously approved name.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Trey Turner, Executive Director of Development
Jill Still, Vice President for University Advancement
Damon Derrick, General Counsel
Naming Guidelines

Original Implementation: January 23, 1971
Last Revision: July 28, 2015 October 29, 2018

Buildings and other facilities (including rooms, laboratories and clinics) of Stephen F. Austin State University may be named by the Board of Regents for deceased persons who have made outstanding contributions to the university or its prestige. In extraordinary circumstances, particularly when a significant donation has been made to the university, the Board of Regents may name a building, or other facility, for a living person.

Listed below are minimum dollar amounts associated with fundraising necessary for naming consideration:

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>One of the six colleges within the university</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>A department or school within a college</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>An institute or center within a college</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Any existing, unnamed building</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>An endowed academic chair in any discipline</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>An endowed distinguished professorship</td>
<td>$250,000</td>
</tr>
<tr>
<td>An endowed professorship</td>
<td>$125,000</td>
</tr>
<tr>
<td>An endowed full tuition and fees scholarship</td>
<td>$250,000</td>
</tr>
<tr>
<td>Minimum for any named endowed fund</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

Amounts associated with fundraising necessary for naming consideration are outlined in the university’s Overview of Naming Guidelines and Procedures, available in the office of the vice president for university advancement.

The Board of Regents retains the latitude to create alternate naming opportunities within the discretion of the board.

Proposed names may be submitted from any source to the Office of Development for their recommendation to the president who, if he concurs shall submit such names, together with background reasons, to the Board of Regents for consideration; provided, however, that the Board of Regents may act without receiving a nomination from the Office of Development, when circumstances justify such action, and particularly when a substantial donation has been made toward the construction of the building or facility to be named. Any such nominations shall be reviewed by the building and grounds committee of the board. Such review shall take place before contact with any prospective nominee. A name will not be moved from one building to another and when a building is razed, the name will no longer be used.

A plaque shall be placed on each new building. The plaque shall show the names of those occupying the following positions on the date the project is approved by the Board of Regents: the officers of
the Board of Regents, the remaining members of the Board of Regents in alphabetical order, the student regent, the president of the university, the vice president for finance and administration, the vice president(s) for the area involved, the director of physical plant, the architect and the contractor, together with the year the project was approved.

The duration of the naming of facilities, spaces, or programs is governed by the Overview of Naming Guidelines and Procedures. However, in unusual or unforeseen circumstances, the university reserves the right to remove a previously approved name. Examples include, but are not limited to, a donor not fulfilling the terms of a gift agreement upon which the naming was approved, or continuation of the name may compromise the public trust or reputation of the university.

Cross Reference: Board of Regents Rules and Regulations, Overview of Naming Guidelines and Procedures

Responsible for Implementation: President, Vice President for University Advancement

Contact for Revision: President, Vice President for University Advancement

Forms: None

Board Committee Assignment: Building and Grounds
POLICY SUMMARY FORM

Policy Name: Vending

Policy Number: 16.35

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: Student Services

Purpose of Policy (what does it do): Designates responsibility for coin operated machines

Reason for the addition, revision, or deletion (check all that apply):

- [x] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding

- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: No substantive changes.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Sam Smith, Director Student Services & Student Center
Dr. Steve Westbrook, Vice President for University Affairs
Damon Derrick, General Counsel
Vending

**Original Implementation:** Unpublished

**Last Revision:** November 2, 2015  October 29, 2018

The food and beverage vending machines located on campus are the responsibility of the respective contract vendors. This responsibility shall include furnishing, servicing and maintaining machines, purchasing goods for resale, and collecting funds. These vendors shall place vending machines in accordance with the negotiated contract. Specific exceptions to this policy are:

1. Coin-operated copy machines, which are the responsibility of the individual department; and
2. Coin-operated game machines, which are the responsibility of the director of student services.

Other exceptions or requests shall be considered on an individual basis, and should be addressed in writing to the vice president for university affairs.

**Cross Reference:** None

**Responsible for Implementation:** Vice President for University Affairs

**Contact for Revision:** Director of Student Services/Director of Student Center

**Forms:** None

**Board Committee Assignment:** Building and Grounds
Policy Name: Contracting Authority

Policy Number: 1.3

Is this policy new, being reviewed/revised, or deleted?  Review/Revise

Date of last revision, if applicable: 7/28/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy specifies the university personnel with the authority to enter into contracts, purchases, or agreements on behalf of the university.

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review  ☐ Change in law  ☐ Response to audit finding

☐ Internal Review  ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Language added to correspond to language in the university Ethics policy.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Damon Derrick, General Counsel
Contracting Authority

Original Implementation: July 18, 1988
Last Revision: July 28, 2015 October 29, 2018

This policy governs the authority to enter and make contracts, purchases, and agreements of any character on behalf of Stephen F. Austin State University.

I. No member of the Board of Regents shall enter into the discussion, make motions, or vote on a contract, purchase, or agreement of any character in which the member or member’s family directly or indirectly has pecuniary or substantial interest unless the general counsel has advised that there is a legally permitted exception to this rule with the regent making the appropriate public disclosures.

II. The following items shall be submitted to the Board of Regents for approval at either a regular board meeting or a special called board meeting. Each item shall be presented to the board for consideration. The general counsel shall review all contracts and agreements prior to signature.

a. Contracts, purchases, or agreements in the amount of $100,000 or more, whether the amount is income or expenditure, for items identified in Section A of Policy 1.4, Items Requiring Board of Regents Approval.

III. The president shall be delegated the responsibility and authority to enter into contracts, purchases, and agreements for sums less than $100,000, or amounts over $100,000 to the extent authorized in Section B of Policy 1.4, Items Requiring Board of Regents Approval, whether the amount is income or expenditure, and to enter into all grants and agreements funded by private individuals, governmental agencies, and foundations without regard to the amount, unless otherwise limited by the Board. At the option of the president, contracts, purchases, and agreements for sums less than $100,000 may be submitted to the Board of Regents for approval. The general counsel should review and provide legal advice on all contracts or agreements. The department responsible for originating the contract is responsible for maintaining it for the applicable records retention period.

IV. The president may delegate to other employees of the university power to contract, purchase, or enter into agreements delegated to the president in Section III of this policy. The president will remain responsible for all contracts, purchases, and agreements so delegated, and for the proper administration of all grants and agreements funded by private individuals, governmental agencies, and foundations, regardless of delegation of power to contract, purchase, or enter into agreements.

a. In the absence of the president, or at such time as the president is unavailable to sign a document by a required deadline, the following individuals are authorized to sign on his behalf: (listed in order of priority) provost and vice president for academic affairs, vice president for finance and administration, vice president for
university affairs, associate vice president for academic affairs. All other
degagements must be specific and in writing to be effective. The general counsel
should review and provide legal advice on all contracts or agreements.
b. All delegations of contracting authority to persons other than those listed above
which were made by a previous president shall be void once a new president
assumes office.

**Cross Reference:** Items Requiring Board of Regents Approval (1.4)

**Responsible for Implementation:** President

**Contact for Revision:** President

**Forms:** None

**Board Committee Assignment:** Finance and Audit Committee
POLICY SUMMARY FORM

Policy Name: Ethics

Policy Number: 2.6

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 7/25/2017

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): The policy affirms its commitment that all officers and employees will maintain high ethical standards in the performance of their official duties.

Reason for the addition, revision, or deletion (check all that apply):
- [ ] Scheduled Review
- [ ] Change in law
- [x] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Specify that officers and employees with the exception of student employees will receive annual ethics training.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Kay Johnson, Director of Procurement and Property Services
Loretta Doty, Director of Human Resources
Michaelyn Greene, Director of Administrative Services
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel
Ethics

Original Implementation: August 8, 1995
Last Revision: July 25, 2017
October 29, 2018

General Policy Statement: Purpose

The university affirms its commitment. It is the policy of Stephen F. Austin State University that all officers and employees will maintain high ethical standards in the performance of their official duties.

General

The following guidelines regarding state ethics laws for state employees are applicable to the Board of Regents, the administration, faculty and staff of the university. Other university policies that affect ethical standards include but are not limited to: Discrimination Complaints (2.11); Sexual Misconduct (2.13); Dual Employment (11.7); Nepotism (11.16); Purchasing Ethics and Confidentiality (17.22); Fraud (2.7); Discipline and Discharge (11.4); Purchases from Officers or Employees (17.21); and Financial Aid Code of Conduct (4.7).

Officers and employees of the university with the exception of student employees will receive annual regular training on the provisions of this policy.

Ethics Laws for State Officers and Employees

State officers and employees owe a responsibility to the people of Texas in the performance of their official duties. See Texas Government Code §572.001. High institutional standards and high personal standards are critical to fulfilling that responsibility. There are a variety of both civil and criminal statutes that set out the ethical responsibilities of state officers and employees. The Texas Ethics Commission is charged with interpreting, issuing advisory opinions, and enforcing certain ethics laws including Chapter 572 of the Government Code and Chapters 36 and 39 of the Penal Code. Those statutes contain provisions relating to conflicts of interest, bribery, gifts, official misconduct, and misuse of state property, among other things. Additionally, §556.004 of the Government Code contains a list of prohibited acts of agencies and individuals with regard to political activity. A variety of other Texas statutes contain specific ethics provisions applicable to state employees and officers. All employees and officers are required to abide by applicable state and federal laws and regulations regardless of whether they are specifically stated in this policy. Any employee determined to be in violation of this policy is subject to disciplinary action, up to and including termination. The general counsel should be contacted on matters arising under this policy.
1. **Conflicts of Interest, Commitment, Bribery and Gifts**

While the law regarding conflicts of interest may be legally complex, §572.051 of the Government Code outlines standards for state officers and employees, which if followed, should prevent most conflicts of interest from occurring. It does not provide any penalties or sanctions at law for failure to comply with the standards it sets, though in cases of egregious noncompliance a person's behavior could constitute a crime under one of the Penal Code provisions governing the conduct of state officers and employees. However, failure to comply with the standards may result in disciplinary action, up to and including termination.

The acceptance of gifts by state officers and employees is addressed in §572.051(1), which provides that a state officer or employee should not accept or solicit any gift, favor, or service that might reasonably tend to influence the officer or employee in the discharge of official duties or that the officer or employee knows or should know is being offered with the intent to influence the officer's or employee's official conduct.

A state officer or employee should never accept anything if it might make him/her do his/her job differently, or if he/she thinks the person giving it has the hope he/she will do his/her job differently. Section 572.051(5) provides, in effect, a "no tipping" rule for state officers and employees. It states that a state officer or employee should not intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the officer's or employee's official powers or performed the officer's or employee's official duties in favor of another.

For most state employees, compliance with §572.051(1) and (5) eliminates worry about compliance with either the Penal Code or the lobby law with respect to the acceptance of gifts.

Section 572.051(2), (3), and (4) states that state officers and employees should not engage in economic activities even on their own time that might affect decisions at their state job, or that might lead them to disclose confidential information learned on the job. Simply put, state officers and employees should not engage in business or investments that might make them want to do their state job differently. Additionally, university policy requires university approval prior to engaging in outside employment. If approved, performance of the employee’s responsibilities to the university is paramount and outside work must assume a position secondary to university responsibilities. See Outside Employment (11.19).

Section 572.051(2), (3) and (4) of the Government Code specifically reads as follows:

**572.051. STANDARDS OF CONDUCT; STATE AGENCY ETHICS POLICY.**

(a) A state officer or employee should not:

(2) accept other employment or engage in a business or professional activity that the officer or employee might reasonably expect would require or induce the officer or employee to disclose confidential information acquired by reason of the official position;

(3) accept other employment or compensation that could reasonably be expected to
impair the officer’s or employee’s independence of judgment in the performance of the officer’s or employee’s official duties;

(4) make personal investments that could reasonably be expected to create a substantial conflict between the officer’s or employee’s private interest and the public interest.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.
Amended by: Acts 2007, 80th Leg. R.S., Ch. 629, Sec. 1, eff. September 1, 2007

The Texas Penal Code also includes provisions regarding conflicts of interest, bribery and gifts. A state employee commits the offense of bribery if he intentionally or knowingly solicits, offers, or accepts a "benefit" in exchange for his decision, opinion, recommendation, vote, or other exercise of discretion as a state employee. Penal Code §36.08.

Most state employees are subject to a prohibition on the acceptance of "benefits." Penal Code §36.08. For example, an employee of a regulatory agency may not accept a benefit from a person the employee "knows to be subject to regulation, inspection, or investigation by the public servant or his agency." Id. §36.08(a). Also, an employee of a state agency who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions may not accept a benefit from a person the employee knows is "interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the exercise of his discretion." Id. §36.08(d). These prohibitions apply regardless of whether the donor is asking for something in return.

The statutory definition of "benefit" is "anything reasonably regarded as pecuniary gain or pecuniary advantage." Penal Code §36.01(3). In advisory opinions, the Ethics Commission has stated that the following gifts may be benefits: a $50 clock, a hotel room, a hunting trip, football tickets, a $160 rifle, and a $60 restaurant meal. Ethics Advisory Opinions Nos. 97, 94, 90, 69, 60 (1992). Benefits such as food, lodging, transportation, football tickets, etc., may however be permissible if accepted as a "guest." Penal Code §36.10(b). To accept something as a guest, the donor must be present.

Other advisory opinions have concluded that certain items are not benefits. A cup of coffee is not a benefit. Ethics Advisory Opinion No.118 (1993). Small amounts of perishable food delivered to government offices are generally not benefits. Ethics Advisory Opinion No. 62 (1992). Trinkets of minimal value such as coffee mugs, key chains, and "gimme" caps are generally not benefits. Ethics Advisory Opinion No. 61 (1992). A plaque is not a benefit. Ethics Advisory Opinion No. 36 (1992). Of course, a state officer or employee may accept a gift from a person such as a friend, relative, or business associate with whom he/she has a relationship independent of that official status if the gift is given on account of that relationship rather than the officer’s or employee’s official status. Penal Code §36.10(a)(2).

Honoraria may also be considered as gifts or benefits under the Penal Code. A state officer or employee may not solicit, agree to accept, or accept an honorarium in consideration for
services he/she would not have been asked to provide but for his/her official position. Penal Code §36.07. Thus, for example, the officer or employee may not take a speaker's fee for speaking in his official capacity. Although questions about honoraria come up most frequently in regard to speeches, the prohibition applies to fees or gifts for any service that the officer or employee would not have been asked to provide but for his official position. It is permissible to accept food, transportation, and lodging in connection with a speech or other service performed in an official capacity.

Except as otherwise permitted by law or policy, university employees are prohibited from having a direct or indirect financial or other interest, engaging in a business transaction or professional activity, or incurring any obligation that is in substantial conflict with the proper discharge of their duties. This includes, but is not limited to, engaging in non-employment related activities that interfere with the employee’s duties and responsibilities to the university.

2. Official Misconduct and Misuse of State Property

A state employee would commit an offense if, with intent to obtain a benefit or harm another, he/she intentionally or knowingly violated a law relating to his/her office or employment. Penal Code §39.02(a)(1). This catchall prohibition applies to any violation of a law relating to the employee’s state employment. This means, for example, that a violation of a rider to the Appropriations Act, done with intent to obtain a benefit or harm another, could be the basis of a criminal prosecution.

Also, an officer or employee would commit an offense if, with intent to obtain a benefit or harm another, he/she misapplied anything of value belonging to the government that has come into his/her custody or possession by virtue of his/her state employment. Penal Code §39.02(a)(2). This provision is the basis for criminal prosecutions regarding the misuse of state property for personal use or otherwise. Additionally, university policy 17.14, Property Inventory and Management, and Government Code § 2203.004 specifies that university property may only be used for state/university purposes. This includes electronic resources. See Use of Electronic Information Resources (16.32).

Under Government Code §552.352, misuse or improper distribution of confidential information is also considered a specific type of crime involving official misconduct. In addition to criminal liability, employees may be responsible for the negligent loss, damage or destruction to university property under Property Liability (16.22).

Financial Disclosure Statements

Regents and the president must file financial disclosure statements with the Texas Ethics Commission by April 30 of each year, or as otherwise required under the Government Code Chapter 572.
3. Prohibited Acts of Agencies and Individuals Regarding Political Activity

The university, its officers and employees may not use any money under its control, equipment or official authority to influence an election as prohibited by §556.004 of the Texas Government Code. Sections 556.004-.009 of the Government Code specifically read as follows:

556.004  PROHIBITED ACTS OF AGENCIES AND INDIVIDUALS.
A state agency may not use any money under its control, including appropriated money, to finance or otherwise support the candidacy of a person for an office in the legislative, executive, or judicial branch of state government or of the government of the United States. This prohibition extends to the direct or indirect employment of a person to perform an action described by this subsection.

a. A state officer or employee may not use a state-owned or state-leased motor vehicle for a purpose described by Subsection (a).

b. A state officer or employee may not use official authority or influence or permit the use of a program administered by the state agency of which the person is an officer or employee to interfere with or affect the result of an election or nomination of a candidate or to achieve any other political purpose.

c. A state employee may not coerce, attempt to coerce, command, restrict, attempt to restrict, or prevent the payment, loan, or contribution of anything of value to a person or political organization for a political purpose.

d. For purposes of Subsection (c), a state officer or employee does not interfere with or affect the results of an election or nomination if the individual's conduct is permitted by a law relating to the individual's office or employment and is not otherwise unlawful.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.
Amended by Acts 1999, 76th Leg., ch. 1498, Sec. 1, eff. Sept. 1, 1999

556.005  EMPLOYMENT OF LOBBYIST.

a. A state agency may not use appropriated money to employ, as a regular full-time or part-time or contract employee, a person who is required by Chapter 305 to register as a lobbyist. Except for an institution of higher education as defined by Section 61.003, Education Code, a state agency may not use any money under its control to employ or contract with an individual who is required by Chapter 305 to register as a lobbyist.

b. A state agency may not use appropriated money to pay, on behalf of the agency or an officer or employee of the agency, membership dues to an organization that pays part or all of the salary of a person who is required by Chapter 305 to register as a lobbyist. This subsection does not apply to the payment by a state agency of membership fees under Chapter 81.

c. A state agency that violates Subsection (a) is subject to a reduction of amounts
appropriated for administration by the General Appropriations Act for the biennium following the biennium in which the violation occurs in an amount not to exceed $100,000 for each violation.

d. A state agency administering a statewide retirement plan may enter into a contract to receive assistance or advice regarding the qualified tax status of the plan or on other federal matters affecting the administration of the state agency or its programs if the contractor is not required by Chapter 305 to register as a lobbyist.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

556.0055. RESTRICTIONS ON LOBBYING EXPENDITURES.

a. A political subdivision or private entity that receives state funds may not use the funds to pay:
   1. lobbying expenses incurred by the recipient of the funds;
   2. a person or entity that is required to register with the Texas Ethics Commission under Chapter 305;
   3. any partner, employee, employer, relative, contractor, consultant, or related entity of a person or entity described by Subdivision (2); or
   4. a person or entity that has been hired to represent associations or other entities for the purpose of affecting the outcome of legislation, agency rules, ordinances, or other government policies.

b. A political subdivision or private entity that violates Subsection (a) is not eligible to receive additional state funds.

Added by Acts 1999, 76th Leg., ch, 1498, Sec. 1, eff. Sept. 1, 1999.

556.006  LEGISLATIVE LOBBYING.

a. A state agency may not use appropriated money to attempt to influence the passage or defeat of a legislative measure. This section does not prohibit a state officer or employee from using state resources to provide public information or to provide information responsive to a request.

Added by Acts 1997, 75th Leg., ch. 1035, Sec. 86, eff. June 19, 1997.
Amended by Acts 1999, 76th Leg., ch. 1498, Sec. 1, eff. Sept. 1, 1999.

556.007  TERMINATION OF EMPLOYMENT.

A state employee who causes an employee to be discharged, demoted, or otherwise
discriminated against for providing information under Section 556.006 (b) or who violates
Section 556.004 (c) or (d) is subject to immediate termination of employment.

Added by Acts 1999, 76th Leg., ch. 1498, Sec. 1, eff. Sept. 1, 1999.

556.008 COMPENSATION PROHIBITION.

A state agency may not use appropriated money to compensate a state officer or employee
who violates Section 556.004(a), (b), or (c) or Section 556.005 or 556.006(a), or who is
subject to termination under Section 556.007.

Added by Acts 1999, 76th Leg., ch. 1498, Sec. 1, eff. Sept. 1, 1999.

556.009 NOTICE OF PROHIBITIONS.

a. A state agency shall provide each officer and employee of the agency a copy of Sections
556.004, 556.005, 556.006, 556.007, and 556.008 and require a signed receipt on
delivery. A new copy and receipt are required if one of those provisions is changed.
b. A state agency shall maintain receipts collected from current officers and employees
under this section in a manner accessible for public inspection.

Added by Acts 1999, 76th Leg., ch. 1498, Sec. 1, eff. Sept. 1, 1999."

As required by these statutory provisions, all employees shall receive and sign for (or
electronically acknowledge receipt of) a copy of this policy as administered by the university’s
Department of Human Resources.

4. Disclosure Statement for Employees Involved in Purchasing, Contracting, and
Investments

Section 2261.252 of the Government Code requires each employee or official involved in
procurement or contract management for the university to disclose any potential conflict of
interest specified by state law or university policy that is known by the employee or official
with respect to any contract with a vendor or bid for the purchase of goods or services from a
vendor by the university. This disclosure applies at any time during the procurement process,
from the initial request for bids for the purchase of goods or services from a vendor until the
completed final delivery of the goods or services, or through the term of a contract with a
vendor. Additionally, this provision of state law is applicable to contracts for goods or services
solicited through a purchase order if the amount of the purchase order exceeds
$25,000.

As required by §2262.004 of the Government Code, university personnel who make decisions
or recommendations regarding the preparation of a solicitation, evaluation of a bid or proposal,
who should be awarded the contract, or contract terms or conditions of a major contract award must disclose in writing to the president on a form prescribed by the state auditor direct or indirect pecuniary interests (10% interest or $25,000 threshold) or family relationships (nepotism) which that employee may have in the major contract award. A major contract award involves a contract of at least $1 million in value. Use the referenced disclosure form developed by the Office of the State Auditor.

Additionally, to the extent such provision is applicable to the transaction, §2254.032 of the Texas Government Code requires officers and employees who have any financial interest in an offer to provide consulting services to the university to report that interest to the president no later than the tenth day after the date that the offer is submitted. University personnel must also report any individual related to them within the second degree by consanguinity or affinity (as determined by Section 573 of the Government Code) who has an interest in any consulting offer made to the university.

In addition to the specific reporting requirements and thresholds of §2262.004 of the Government Code, university personnel have broader reporting and ethics requirements outlined in Purchasing Ethics and Confidentiality (17.22). Officers and employees also have a legal disclosure requirement to declare any interest in property that is to be acquired by the university as outlined in Government Code Chapter 553.

Investment officers responsible for the investment of public funds under the Public Funds Investment Act, Government Code Chapter 2256, must disclose personal relationships and interests involving investment transactions.

Officers and employees are encouraged to contact the general counsel if they have questions or concerns about the applicability of this disclosure form and to disclose possible indirect or direct pecuniary interests which do not meet the minimum threshold limits outlined in these statutory provisions. Disclosure of all possible pecuniary interests in major or non-major contract awards or procurements is required by Purchasing Ethics and Confidentiality (17.22) to avoid other possible conflict of interest concerns. Potential transactions with relatives of employees should also be disclosed to the general counsel for advice and counsel to initiate measures that avoid any appearances of a conflict of interest.

5. Disclosure by Public Servant of Interest in Property

Section 553.002 of the Government Code requires individuals who are elected, appointed, employed or designated as an officer of government and who have a legal or equitable interest in property that is to be acquired with public funds to file an affidavit with the county clerk of the county the individual resides in and the county clerk of each county in which the property is located. The affidavit must be filed within 10 days before the date on which the property is to be acquired by purchase or condemnation. The contents of the affidavit are included in this section.
6. **Conflicts of Interest for Officers (Regents)**

In addition to the statutory restrictions outlined above or in referenced policies, officers of the university, namely regents, are held to relatively strict standards for conflicts of interest under law. Conflicts of interest may involve indirect or direct pecuniary interests as established in Texas common law. Specific statutory exceptions have been carved out to allow regents to recuse themselves from specific actions. Section 572.058 of the Government Code permits regents to disclose a personal or private interest in a measure, proposal, or decision pending before the board and not participate in board action involving that matter. Section 51.923 of the Education Code allows the university to contract with nonprofit corporations which may have one or more regents serving on their board or a regent serving as an officer or employee of the nonprofit. The statute also permits the university to contract with business entities in which a regent has an interest. If a regent has a “substantial interest” in the business entity and board approval is required, that regent must recuse himself or herself from the decision on behalf of the university. A regent has a “substantial interest” if the regent or the regent’s spouse, child, parent, father or mother in-law, son or daughter in-law, stepparent, or stepchild: owns one percent or more of the voting stock or shares of the business entity or owns either one percent or more or $15,000 or more of the fair market value of the business entity; funds received by the regent from the business entity exceed one percent of the regent’s gross income for the previous year; or the regent is an officer of the business entity or its governing board.

Regents should contact the general counsel on possible conflict of interest matters and disclose to counsel potential direct or indirect pecuniary interests in matters pending before the Board of Regents. Potential transactions with relatives of regents should also be disclosed to the general counsel for advice and counsel to avoid any appearances of a conflict of interest.

7. **Nepotism**

Officers and employees are reminded that hiring certain relatives as defined in Nepotism (11.16) and/or under state law is prohibited.

8. **Discrimination and Sexual Harassment**

Discrimination and sexual harassment are prohibited by university policies 2.11 and 2.13, respectively, and also under state and federal law.

9. **Equity Ownership and Management Participation relating to Research, Development, Licensing and Exploitation of Intellectual Property**

Ownership of any equity interest in a business entity that has an agreement with the university relating to research, development, licensing, or exploitation of intellectual property created or discovered by an employee shall be disclosed to the president or his designee. The president shall take any necessary steps to avoid injury to the university as a result of potential conflicts of interest arising out of such equity ownership.
No employee may serve as a director, officer, or employee of a business entity that has an agreement with the university relating to research, development, licensing, or exploitation of intellectual property in which the university has an ownership interest except upon request of, or prior approval by, the Board of Regents. Authorization to serve as a director, officer, or employee of such a business entity may be subject to one or more conditions established to avoid injury to the university as a result of potential conflicts of interest.

In accordance with §51.912 of the Texas Education Code, the names of all business entities that have an agreement with the university relating to the research, development, licensing, or application of intellectual property in which employees own an equity interest, or for which such persons serve as director, officer, or employee, shall be reported to the governor and legislature on an annual basis. The university may accept equity interests as partial or total compensation for rights conveyed in agreements with business entities relating to intellectual property owned by the university. The university may negotiate, but shall not be obligated to negotiate, an equity interest on behalf of any employee as a part of an agreement between the university and a business entity relating to intellectual property created, discovered, or developed by the employee and owned by the university.

10. Acting as an Agent

An officer or employee of the university is prohibited from acting as an agent for another person in the negotiation of the terms of an agreement relating to the provision of money, services, or property to the university.

Summary

In this age of high ethical standards and unrelenting public scrutiny, it is imperative that all state officers and employees be aware of applicable ethics laws. Texas governmental entities are run under an open government system, and all public officers and employees are subject to review. Anyone who has questions or concerns should contact the university's general counsel. A copy of this policy shall be annually filed with the Texas Higher Education Coordinating Board as required by the General Appropriations Act.

Cross Reference: Article III, § 22 of the General Appropriations Act as adopted by the 85th Legislature; Tex. Gov’t Code §§ 403.271(a)-.278, 552.352, 556.004-.009, 2203.004, 2254.032, 2261.252, 2262.004, Ch. 553, 572-573, 2256; Tex. Penal Code Ch. 36, § 39.02; Tex. Educ. Code §§ 51.912, .923 and other applicable state and federal laws; Discrimination Complaints (2.11); Sexual Misconduct (2.13); Dual Employment (11.7); Nepotism (11.16); Use of Electronic Information Resources (16.32); Property Inventory and Management (17.14); Purchasing Ethics and Confidentiality (17.22); Fraud (2.7); Discipline and Discharge (11.4); Outside Employment (11.19); Purchases from Employees (17.21); Financial Aid Code of Conduct (4.7); Property Liability (16.22)
**Responsible for Implementation:** President

**Contact for Revision:** General Counsel

**Forms:** Disclosure Statement for Purchasing Personnel

**Board Committee Assignment:** Finance and Audit
POLICY SUMMARY FORM

Policy Name: Fraud

Policy Number: 2.7

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): Establishes procedures and responsibilities for detecting, reporting, and resolving instances of known or suspected fraudulent activity.

Reason for the addition, revision, or deletion (check all that apply):

- [ ] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: No substantive revisions.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Dannette Sales, Controller
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel
**Fraud**

**Original Implementation:** January 28, 1997  
**Last Revision:** November 2, 2015, October 29, 2018

**Purpose**

INTRODUCTION

This policy establishes procedures and responsibilities for detecting, reporting, and resolving instances of known or suspected fraudulent activity. The intent of the policy is to protect the assets and interests of the university, prescribe a coordinated approach toward investigation and resolution of fraudulent activity, and outline specific responsibilities for individuals responding to the investigation of a fraudulent activity. Retaliation for filing a good faith report regarding suspected fraudulent activity is prohibited by this policy and is cause for disciplinary action, up to and including termination.

**Definitions**

A. **University** - Stephen F. Austin State University (SFASU) and all of its components, regardless of the source of funding.

B. **Employee** - All persons receiving compensation from the university, including faculty, staff, and students. The term also includes any volunteer who provides services to the university through an official arrangement with the university or a university organization.

C. **Management** - Any administrator, manager, account holder, director, supervisor or other individual who manages or supervises funds, assets, or other resources, including human resources.

D. **Fraud** - A representation usually of fact about a material point which is intentionally, knowingly, or recklessly false to induce another to act to his/her detriment.

E. **Fraudulent Activities/Fiscal Misconduct** - Defalcation, misappropriation, and other fiscal irregularities or improprieties meeting the definition of fraud in D, above, including but not limited to:

1. dishonest, illegal, or fraudulent acts involving university property;
2. forgery or alteration of documents including checks, drafts, promissory notes, securities, purchase orders, budgets, etc.;
3. forgery or unauthorized alteration by employees of employee benefit or salary-related items such as time sheets, payroll documents, billings, claims, surrenders, assignments, or changes in beneficiary;
4. forgery or unauthorized alteration by employees of student-related items such as grades, transcripts, loans, fees, financial aid applications, or financial aid records;
5. misappropriation of funds, securities, supplies, or any other asset of the university;
6. illegal or fraudulent handling, or reporting, of money transactions;
2. employee acceptance or solicitation of any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his/her official duties;
3. theft, destruction, or disappearance of records, furniture, fixtures, equipment, or other assets;
4. misrepresentation of information on documents;
5. authorizing or receiving payment for goods not received or services not performed;
6. knowing, reckless, or intentional inaccuracies in the maintenance of books and records or irregularities in financial reporting;
7. any apparent violation of federal, state, or local laws related to dishonest activities or fraud;
8. any similar or related activity.

F. Suspected Fraudulent Activity - A reasonable belief or actual knowledge that fraudulent activity has or is occurring. Failure to show an actual diversion of assets or loss shall not be considered unreasonable belief.

General MANAGEMENT RESPONSIBILITY

Management is responsible for detecting fraudulent or related dishonest activity in their areas of responsibility. Management is responsible for establishing and maintaining a system of internal control that provides reasonable assurance that improprieties are prevented and detected. Each manager should be familiar with the types of improprieties that might occur in his/her area and be alert for any indication that such a defalcation, misappropriation, or other fiscal irregularity has occurred. When an impropriety is suspected, management should determine if an error or mistake has occurred or if there may be dishonest or fraudulent activity.

Management will support the university’s fiduciary responsibilities and will cooperate with auditors and law enforcement agencies in the detection, investigation, and reporting of criminal acts, including prosecution of offenders. Every effort should be made to recover university losses.

Reporting Suspected Impropriety or Fraudulent Activity

Any employee of the university who knows of or suspects fraudulent activity or improprieties has the option to report suspected activity as follows:

- notify his/her immediate supervisor;
- notify one of the following university employees: the chief audit executive, the general counsel, the university chief of police, or the director of human resources;
- file a report using the university’s anonymous reporting system coordinated by the Department of Audit Services for reporting dishonest or fraudulent activity. The university’s reporting system, which is hosted by a third party, can be accessed 24 hours a day by calling 1-866-294-9539 or clicking the “Report Fraud” link on the SFA
homepage.; and/or

- file a report with the Texas State Auditor’s Office by calling 1-800-TX-AUDIT (892-8348) or visiting their website at https://sao.fraud.texas.gov

All of these reporting options are listed on the university’s website homepage www.sfasu.edu under the “Report Fraud” tab-link at http://www.sfasu.edu/audit/fraudreport.asp.

Great care must be taken in the reporting and investigation of suspected improprieties or irregularities to avoid incorrect accusations or alerting suspected individuals that an investigation or audit is underway, and also to avoid making statements which could provide a basis for a lawsuit for false accusation or other offense. The reporting individual should not:

- contact the suspected individual to determine facts or demand restitution; or
- discuss the facts, suspicions, or allegations associated with the case with anyone, unless specifically directed to do so by the chief audit executive, university chief of police, chief, general counsel, or director of human resources. To the extent permitted by the applicable provisions of the Texas Public Information Act, confidentiality of those reporting dishonest or fraudulent activities will be maintained. However, the confidentiality cannot be maintained if that individual is required to serve as a witness in legal proceedings.

**Investigation**

Prior to conducting an investigation, the appropriate personnel from the Office of the General Counsel and the Department of Audit Services will communicate as necessary to establish the necessary investigative team.

All affected departments and/or individuals shall cooperate fully with the investigative team to identify whether or not actual fraudulent activity has occurred.

The investigative unit-team shall update university administration on the progress of all investigations.

All requests for information and assistance related to investigations conducted by auditors of federal and state agencies, which are concerned with potential dishonest or fraudulent activities within the university, shall be forwarded immediately to the chief audit executive for consultation with the general counsel.

All inquiries from the suspected individual, their representative, or their attorney shall be directed to the general counsel without further comment.

All reproduction of documents, evidence, and reports shall be performed within the secured work area of the University Police Department or Department of Audit Services. Any requests to release or review such documents will be coordinated through the general counsel.
In order to protect the reputations of innocent persons initially suspected of wrongful conduct and to protect the university from potential civil liability, the results of investigations and audits will not be disclosed or discussed with anyone other than authorized representatives of law enforcement and/or regulatory agencies and persons associated with the university who have a legitimate need to know such results in order to perform their duties and responsibilities, subject to provisions of the Texas Public Information Act.

The results of all investigations will be reported to the president of the university or to the chair of the Board of Regents Finance and Audit Committee when considered necessary.

**Allegations of Defalcation, Misappropriation, and other Fiscal Irregularities**

The chief audit executive will supervise all audits of allegations of defalcation, misappropriation, and other fiscal irregularities. The Department of Audit Services will have full and unrestricted access to all necessary records, including e-mail, and personnel. All university equipment, furniture, and contents, including desks and computers, are open to inspection when there is reasonable suspicion of a dishonest or fraudulent activity which makes such inspection appropriate; there is no assumption of privacy. The general counsel shall be contacted before inspection of desks and computers beyond inadvertent or official access. Every effort should be made to effect recovery of university losses.

Pursuant to Section 321.022 of the Texas Government Code, the president shall file a report with the Office of the State Auditor if he/she has reasonable cause to believe that money received from the state by the university may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity. All records of a communication by or to the state auditor in this regard are legally considered audit working papers of the state auditor.

**Allegations of Criminal Activity**

When an audit reveals suspected criminal activity, or an audit is initiated due to an allegation of criminal activity, the university chief of police will be notified immediately and the audit will proceed under his/her direction. The Department of Audit Services shall assist the university police in investigations of suspected defalcation, misappropriation, and other fiscal irregularities that require accounting and auditing knowledge of university records.

When suspected criminal activity may constitute a felony offense, the university chief of police shall, when appropriate, immediately notify the president or his/her designee. The university chief of police, chief audit executive, and general counsel will coordinate assistance provided to state, federal, and local law enforcement agencies in connection with felony fraud investigations. All requests for information and/or assistance from such agencies, received by any other
component of the university, shall be immediately forwarded to the university police for determination and handling. All reasonable assistance will be given to law enforcement agencies when requested.

Audits revealing violations of the Penal Code for which an audit report will be issued shall be reduced to final report form only after consultation by university police with the local prosecutor or the Office of the General Counsel to ensure that appropriate documentation of the facts has been achieved in order to permit appropriate personnel action, protect innocent persons, support appropriate civil or criminal actions, document claims made pursuant to applicable fidelity bonds, preserve the integrity of criminal investigation and prosecution, and avoid unnecessary litigation.

**Allegations Involving Employment Conditions**

The director of human resources will supervise or assist with all investigations involving allegations that arise by nature of one’s employment that do not otherwise fall into one of the above categories.

**Audit Findings**

Each investigation of possible dishonest or fraudulent activities has the potential to provide valuable insight into university activities. Investigations may disclose control weaknesses or other deficiencies that require additional auditing or attention by management. The Office of Audit Services shall consider the nature and extent of the investigation and complete any additional audit work necessary to provide management with information for appropriate action.

**Cross Reference:** Ethics (2.6); Tex. Gov’t Code § 321.022

**Responsible for Implementation:** President

**Contact for Revision:** Vice President for Finance and Administration

**Forms:** None

**Board Committee Assignment:** Finance and Audit
Policy Name: Items Requiring Board of Regents Approval

Policy Number: 1.4

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 1/26/2016

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy establishes items and actions that require approval by the Board of Regents. It also specifies items and actions that do not require board approval.

Reason for the addition, revision, or deletion (check all that apply):

- [ ] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [x] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: The Texas Higher Education Coordinating Board no longer approves projects. Currently the coordinating board reviews E&G projects with projected costs of $10,000,000 or more.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Ron Watson, Director of Physical Plant
Michaelyn Greene, Director of Administrative Services
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel
Items Requiring Board of Regents Approval

Original Implementation: July 5, 1988
Last Revision: January 26, 2016; October 29, 2018

Purpose

This policy establishes items and actions that require approval by the Board of Regents. It also specifies items and actions that do not require board approval.

Items That Require Approval by the Board of Regents

1. Construction/renovation projects if the estimated cost is $100,000 or more, including:
   a. Selection of an architect/engineer.
   b. Authority to submit all construction and/or renovation project proposals, real property purchases, and energy savings performance contracts to the Texas Higher Education Coordinating Board (THECB) that require THECB approval, or as otherwise required under law.
   c. Construction contract awards. The Guaranteed Maximum Price must be reported to the Buildings and Grounds Committee at the next possible meeting.
   d. Approval of project budget.
   e. Change orders that would increase the cost of the project beyond the amount of the Guaranteed Maximum Price. Board approval of change orders would not be required for budgeted construction contingencies within the Guaranteed Maximum Price.
   f. For projects requiring coordinating board approval THECB review, a final project close-out report entailing a post completion evaluation of the project that includes the following elements that must be reported to the Buildings and Grounds Committee: final project cost, summary of change orders, existence of any liquidated damages, final HUB participation percentages and total value, summary of approvals from any state or federal agencies having jurisdiction, survey summary of evaluation by end users, and summary of final inspection punch list for items needing repair. A warranty inspection will be conducted and major warranty repairs summarized for review by the president and chair of the Buildings and Grounds Committee.

2. Actions relating to university employees, including
   a. Appointment of full-time faculty
   b. Faculty promotions
   c. Awarding of faculty tenure
   d. Appointment of full-time administrative/professional staff (exempt) excluding those requiring student status
1.4 Items requiring Board of Regents Approval

e. Change of position status of full-time faculty and administrative/professional (exempt) staff
f. Advisement on termination of full-time faculty and administrative/professional (exempt) staff (executive session only, does not require board action for approval)
g. Leaves of absence for faculty and administrative/professional (exempt) staff for one semester (four and one-half months) or more
h. Dual employment (with state agencies) of faculty and administrative/professional (exempt) staff

3. Delegations of administrative authority, including
   a. Authority to approve travel
   b. Authority to approve purchases

4. Policy statements when the effect will be to change admission, probation, or suspension regulations; establish or alter policies, regulations, or rules relating to employment or property rights; govern the activities of the entire university or a major section of the university, such as rules for admission into teacher education or any other major curriculum; change long standing and well accepted practices or patterns of behavior; or implement rules, regulations or activities established by external authorities

5. Contracts, purchases, or agreements in the amount of $100,000 or more, except those that appear in Item B below

6. Any lease of any item (building, equipment, etc.) if the total cost of the lease is expected to be $100,000 or more without regard to the length of the lease period

7. Purchase, sale or exchange of real property

8. Depository contracts

9. Food service (or similar) contracts, including changes in existing contracts

10. Contracts and agreements with support or development foundations

11. Settlements, consent decrees, authority to enter into litigation (executive session only, does not require board action for approval)

12. Establishment (or change) of tuition, student fees, and room and board rates

13. Curriculum matters, including
   a. Establishment or elimination of academic programs
   b. Establishment or elimination of courses
   c. Major changes in programs or courses

14. Designation of a name for university buildings, facilities, streets, etc.

15. Annual holiday schedule

16. Private, governmental, or foundation grants or agreements if the purpose of the grant, etc. is not designated ("president's discretion" constitutes a designation)

17. Annual operating budget

18. Increases in existing budgets through a "budget adjustment" if over $100,000, except revolving funds

19. Biennial legislative request

20. Long range master plans and strategic plans
Items That Do Not Require Approval by the Board of Regents

1. Construction or renovation projects under $100,000
2. Change orders under $100,000 as long as the approved budget is not exceeded
3. Appointment, change-of-status, promotion, termination of non-exempt employees
4. Appointment, change-of-status, termination of graduate or student assistants
5. Resignations
6. Contracts, purchases, and agreements when the amount is less than $100,000
7. Budget transfers that do not increase the board approved budget
8. Private, governmental, and foundation grants, agreements or sub-awards if the purpose of such is stipulated by the grantor. New grants, contract, agreements or sub-awards are to be submitted to the Board of Regents for ratification on a quarterly basis.
9. Materials purchased for resale in auxiliary operations and central stores
10. Materials purchased for inventory stock of physical plant, residence life, or student center operations, such as custodial cleaning products and paper goods
11. Materials purchased for inventory stock from operation and maintenance budgets previously approved by the board, such as food purchases for the Early Childhood Lab and Piney Woods Conservation Center
12. Library subscription services
13. Recurring printing orders
14. Contracts and agreements for athletic events, entertainment concerts, fine arts events, and other similar activities
15. Group travel packages for resale
16. Materials or services purchased for emergencies resulting from disasters, hazards, or other exigent circumstances
17. Outside counsel contracts for intellectual property matters
18. Other items approved by the president of the university which are not listed in Section A of this policy
19. Specific commodities or service necessary for day-to-day operations of the university:
   a. Water utility
   b. Regulated electricity for beef farm, broiler farm and PWCC
   c. Gasoline for university vehicles
   d. Credit card merchant service fees
   e. Maintenance contracts associated with preventive and/or repair work for on-going maintenance or service provided on a scheduled or as-needed basis for equipment or software
   f. Asbestos abatement projects as necessary on an “as needed” basis
   g. Insurance negotiated and/or approved by the State Office of Risk Management
   h. Temporary staffing services
   i. Telecommunications and networking services and fees for land-line phones, cell phones and internet service
j. Hosted software services and applicable license and maintenance for general business operations such as student bill payment, cashiering and student email

c. Television programming services

d. Pest Control services

e. Concrete services not related to a project that requires board approval

f. Hazardous waste pick-up and disposal services

g. Radio tower rental for the university radio station

h. Consultant for annual roof inspections

i. Fire alarm inspections

j. Travel-related contracts, including air charter service

k. Search engine optimization for the university website

l. Preferred or mandatory use vendor contracts, blanket contracts or standing orders not otherwise requiring board approval, for which multiple purchases made as needed by departments may exceed $100,000 over the term of the contract including renewals and including, but not limited to, computers, printers, office supplies, promotional products, chemicals and air filters for HVAC systems, etc.

**Cross Reference:** None

**Responsible for Implementation:** President

**Contact for Revision:** President

**Forms:** None

**Board Committee Assignment:** Finance and Audit Committee
POLICY SUMMARY FORM

Policy Name: Property and Inventory Management

Policy Number: 17.14

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: Vice President for Finance and Administration

Purpose of Policy (what does it do): This policy exists to provide guidance for the handling of property.

Reason for the addition, revision, or deletion (check all that apply):

- [x] Scheduled Review
- [ ] Change in law
- [ ] Response to audit finding
- [ ] Internal Review
- [ ] Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Minor wording, reference and form changes.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Kay Johnson, Director of Property and Procurement Services
Danny Gallant, Vice President for Finance and Administration
Damon Derrick, General Counsel
Property Inventory and Management

Original Implementation: September 28, 1996
Last Revision: November 2, 2015

Purpose

This policy affirms that Stephen F. Austin State University will comply with Texas Government Code § 403.2715, university policies, and procedures outlined in the property management manual. Property acquired under federal or state grants and contracts will be identified and maintained according to the same guidelines as the university's centralized property management and control described herein, except as otherwise stipulated by the grant.

Definitions

Property is defined and will be accounted for in accordance with Texas Government Code § 403.272. The property manager, in conjunction with the director of procurement, and with appropriate administrative approval may define additional equipment to be tracked in property records. Property can be purchased or donated.

Salvage property is any personal property which through use, time, or accident is so depleted, worn out, damaged, consumed, or outdated that it is obsolete and/or can no longer serve the purpose for which it was originally intended.

Surplus property is any personal property that is in excess of the needs of the department and which is not required for the foreseeable future. Surplus property may be new or used but must have additional useful life.

Stolen property is any personal property that has disappeared by known theft, whether by forced removal, burglary, theft by employee, or other criminal act.

Missing property is any personal property that has disappeared with no explanation.

The equipment manager for a department is the chair or administrative head of the department.

A designee may be named by the equipment manager to receive and submit property communications on his/her behalf. The designee does not assume property responsibility or liability in lieu of the equipment manager but may sign property documents on behalf of the equipment manager with the exception of the Annual Property Inventory Audit Certification form.

The property custodian is any employee who is listed on property records as entrusted with the care and safekeeping of specific pieces of property, and is liable for any university property assigned to him/her.
General

The president has delegated to the director of procurement and property services and the property manager responsibility for the overall management of university property, maintenance and control of centralized property records, and disposition of surplus and salvage property.

An equipment manager may not delegate their responsibilities and is ultimately liable for any property listed on his/her department property records. The equipment manager is responsible to assign property to the property custodian who uses and/or is entrusted with property on a daily/regular basis. If the equipment manager fails to assign property to a property custodian, the property manager will contact the department and assign custodial responsibility to the employee who uses and/or is entrusted with property on a daily/regular basis. The equipment manager is responsible to notify the property manager of any donations to determine if the property must be added to property records.

The property custodian is responsible for locating all equipment for which he/she is responsible during the annual property audit, spot-check audit, or audits by audit services or state auditors. All employees are required to sign the property liability acknowledgement form advising that he/she may be entrusted with university property. The property liability acknowledgement described in Property Liability (16.22) advises the employee that he/she will be held financially responsible for any property determined to be damaged, destroyed, missing, or stolen due to employee negligence, regardless of whether the employee is identified as a property custodian on property records.

Property Validation

Each equipment manager and property custodian is to exercise care and control over the property for which he/she is responsible. Property is to be monitored on a perpetual basis both by the property office and by university employees.

Once per year a property inventory audit will be conducted in one of two ways: 1) physical count by the department, or 2) bar code RFID scan by the property office. An official property report and the signed Annual Property Inventory Audit Certification form must be returned to the property manager by the deadline stated in the annual property inventory instructions. Reports Forms in campus mail will not be considered received.

Departments failing to return the official property report signed Annual Property Inventory Audit Certification form and certification to the property manager by 5:00 p.m. on the deadline date will be given a second deadline and will have all ordering, including p-cards, shut down until the official property report signed form and certification are received in the property manager's office. Reports Forms in campus mail will not be considered received.

Failure to return the official property report and certification.
Audit Certification form to the property manager by 5:00 p.m. on the 2nd deadline will result in all ordering continuing to be shut down until the official property report and certification signed form is received in the property manager’s office. In addition, department information, including, but not limited to, department name, department head, and property values will be reported to the Board of Regents at the next regularly scheduled meeting. Reports Forms in campus mail will not be considered received.

Departments must complete an annual computer inventory to facilitate the purchase of campus-wide software licenses and annual analysis of computers for the university computer-replacement plan. Also, spot-check audits will be conducted by property personnel throughout the year except during the annual property inventory. Transaction information for all additions and deletions to each department’s property records will be emailed monthly to the equipment manager and his/her designee, along with a request to update location and custodian information.

Employees are to advise the property office throughout the year of the following changes:

- Equipment Manager - procedures apply to both outgoing and incoming department heads (interim or permanent); information regarding the change must be completed within 30 days of assuming or relinquishing duties.

- Property Custodian - procedures apply at any time there is a change in the employee who uses and/or is entrusted with property on a daily/regular basis. The Change in Property Custodian form must be completed within 30 days of the change.

- Property locations should be updated in a timely manner. Property custodians must be able to identify property locations at any point in time.

Departments may be required to write a detailed plan for monitoring and accounting for department property. A template for the plan will be provided by the property manager and can be found on the Procurement and Property Services website.

Use of State Property

In accordance with Texas Government Code § 2203.004, university property may be used only for state/university purposes. University property in the custody of any Stephen F. Austin State University employee may not be loaned, sold, traded, thrown away, cannibalized, or disposed of in any manner without the prior authorization of the property manager.

University property may be taken off campus only for official business of the university or another state agency. The individual taking equipment off campus assumes financial responsibility and must complete a Removal of Property from Campus form annually.
Items containing potentially sensitive, private, or confidential information are not to be stored in any leased premises unless specifically authorized in writing by the president. These items include but are not limited to computers, electronic or digital storage devices, and paper documents. Certain off-campus facilities may lack the security necessary to protect such sensitive information.

University property may be loaned to another state agency or institution of higher education. The president must approve the loan of the property in writing and receipt of the property must be acknowledged in writing by the head of the borrowing agency.

**Training**

Mandatory training is required for all equipment managers, designees, and property custodians. After initial training, refresher training is required every two (2) years. All training is documented in the university’s myTraining system.

Failure to complete training within 30 days of notification (equipment manager, designee, or property custodian) will result in having the individual’s p-card inactivated. Failure to complete training within 60 days of notification will result in all ordering for the department, including p-cards, being shut down until the employee completes training.

The property manager may extend the training timeframes for employees on FMLA leave, out of the country, or as otherwise deemed appropriate and approved by the director of procurement and property services/HUB coordinator.

**Salvage and Surplus Property**

Salvage property may be discarded or retained for cannibalization of parts, but should be identified for deletion from property records with appropriate documentation and property manager approval. Data processing equipment can never be declared salvage.

Surplus property may be traded in, transferred to another department or transferred to surplus with appropriate documentation.

**Property Disposal**

University property is to be disposed of as described in the property management manual, with the exception that disposition of property acquired through federal or state grants and contracts must respect the terms of the grant or contract under which it was acquired. The property manager will determine the disposal option that complies with Texas Government Code § 2175.304 and § 2175.905 and best meets the needs of the university.
All property sales, including scrap metal, are to be overseen by the property office. All sale proceeds will be deposited to the surplus sales account, unless otherwise approved by the vice president for finance and administration.

Where possible hard drives (“loose”, internal or external), memory cards from printers or scanners, or copiers must have all data removed before final disposal of the property. Memory cards from printers or scanners will be destroyed by the property manager office. Hard drives will be degaussed, destroyed, or overwritten and the disposal will be documented. Procurement will work with departments to document that data stored on copiers is removed before a copier leaves the campus.

**Stolen or Missing Property**

Stolen or missing property must be reported immediately to the property manager. A missing or stolen property report must be completed within 24 hours of reporting the missing or stolen property. The property office will make a determination of negligence on the part of the equipment manager and/or property custodian, or any other employee; see Property Liability (16.22). Failure to report stolen property to the property manager and/or university police immediately may result in a determination of negligence.

Fines and other requirements will be imposed for missing property.

The department will be fined as follows:

- $1,000 – for two items valued at with an original purchase cost of $500 or more each, reported missing in the same fiscal year;
- $2,500 – for three to five items with any value original purchase cost reported missing in the same fiscal year;
- $5,000 – for more than five items with any value original purchase cost reported missing in the same fiscal year;
- in the following fiscal year if additional property is reported missing the above fines will double
- if missing property is found within 30 days of the fine’s being assessed, the value original purchase cost of the equipment will be refunded up to a maximum of $500 per item, but never exceeding the amount of the original fine.

Within 30 days of notification of a fine, all employees identified by the property office will be required to complete property training. The employees identified may include equipment manager, designee, property custodian, or any other employee. Failure to complete the training within 30 days of notification will result in all ordering (requisition and p-card) being shut down for the entire department until the training is completed by all identified employees. Extensions of the 30-day limit may be made by the property manager as deemed appropriate and approved by the director of procurement and property services.
Within 60 days of notification of a fine, the equipment manager will be required to prepare a detailed department property control plan using the template provided by the property office. Failure to complete the plan within 60 days of notification will result in all ordering (requisition and p-card) being shut down for the entire department until the plan is received.

Any appropriations withheld from the university because it has exceeded the allowed value threshold of missing property, as defined in the General Appropriations Act, will be deducted from the budget of the department responsible for the property.

**Individual Employee Negligence**

In accordance with Texas Government Code § 403.275 all university employees are liable for the State of Texas property that they use. A determination of negligence will result in one or more employees being held liable to replace property or reimburse the university for the determined value of property. See Property Liability (16.22) and the property management manual for definitions and requirements associated with negligence.

**Cross Reference:** Tex. Gov’t Code §§ 403.2715, 403.272, 403.273(h), 403.275; Tex. Gov’t Code § 2054.003(3)(A); Tex. Gov’t Code §§ 2175.304, 905, .908; Tex. Gov’t Code § 2203.004; Department of Information Resources Security Control Standards Catalog; Property Liability (16.22); State Comptroller Expendit

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** Director of Procurement and Property Services/HUB Coordinator

**Forms:** Annual Property Inventory Audit Certification (provided with Annual Property Office Inventory Packet), Certification of Physical Inventory with Change In Equipment Manager (Department Head), (ITS Forms Server), Department Property Control Plan Template, (ITS Forms Server), Missing, Damaged or Stolen Property Report (ITS Forms Server), Police Report (available provided from University Police Department), Change in Property Custodian (ITS Forms Server), Property Liability Acknowledgement (HR), Property Transfer Form – Department to Department (ITS Forms Server), Property Transfer Form – Department to Surplus (ITS Forms Server), Removal of Property from Campus Request (ITS Forms Server), Salvage Property Request (ITS Forms Server)

**Board Committee Assignment:** Finance and Audit
POLICY SUMMARY FORM

Policy Name: Private Support Organizations or Donors

Policy Number: 3.25

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 11/2/2015

Unit(s) Responsible for Policy Implementation: President

Purpose of Policy (what does it do): This policy governs the entering of a relationship with a private support organization or donor.

Reason for the addition, revision, or deletion (check all that apply):

☑ Scheduled Review ☐ Change in law ☐ Response to audit finding

☐ Internal Review ☐ Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: No changes to policy content. The unit responsible for implementation and contact for revision has been revised to fall under the purview of the vice president for university advancement.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Damon Derrick, General Counsel
Private Support Organizations or Donors

Original Implementation: July 9, 1991
Last Revision: November 2, 2015 October 29, 2018

Pursuant to Chapter 2255 of the Texas Government Code, the university will recognize only those private support organizations that meet the requirements of this policy as being formed and designated to further the purposes and duties of the university.

Any organization or donor (whether existing as a corporation or as an unincorporated association) that is formed to further the purposes and duties of the university must enter into a written agreement with the university, approved by the Board of Regents. If the board declines to enter into such an agreement, the private support organization or donor is deemed not to further the purposes and duties of the university, and the board expressly forbids the use of the name, property, or employees of the university in any actions or activities on the part of the private support organization or donor. The agreement will address and govern all aspects of conduct of the university and its employees in the relationship between the private support organization or donor and the university and its employees including, but not limited to, the following:

A. administration and investment of funds received by the organization for the benefit of the university;
B. use of an employee or property of the university by the donor or organization;
C. service by an officer or employee of the university as an officer or director of the donor or organization; and
D. monetary enrichment of an officer or employee of the university by the donor or organization.

Nothing in this policy requires that the university include only the above provisions as subject matter in the agreement between the university and the private support organization or donor. The board has the responsibility to enter into that form of agreement which the board, in the exercise of its statutory authority, determines is in the best interest of the university.

Neither this policy nor any agreement entered into by the university may conflict or supersede a requirement of a state or federal statute regulating the conduct of a university employee or regulating the policies and procedures of the university.

Cross Reference: Tex. Gov’t Code § 2255.001

Responsible for Implementation: President Vice President for University Advancement

Contact for Revision: President Vice President for University Advancement
Forms: None

Board Committee Assignment: Finance and Audit