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Monday, January 26, 2009

The regular meeting of the Board of Regents was called to order in open session at 8:00 a.m., Monday, January 26, 2009, by Chair Joe Max Green.

PRESENT:

Board Members: Mr. Joe Max Green, Chair
Mr. Carlos Amaral
Mr. Richard Boyer
Ms. Lacey Claver
Ms. Valerie Ertz
Mr. Bob Garrett
Mr. James Thompson
Mr. Melvin White

President: Dr. Baker Pattillo

Vice-Presidents: Dr. Richard Berry
Mr. Danny Gallant
Mr. Steve Westbrook

General Counsel: Ms. Yvette Clark

Other SFA administrators, staff, and visitors

Regents James Dickerson and Paul Pond were absent from the meetings.

The Building and Grounds Committee convened at 8:00 a.m. and adjourned at 9:07 a.m. The Finance/Audit Committee convened at 9:21 a.m. and adjourned at 10:05 a.m. The Academic and Student Affairs Committee convened at 10:20 a.m. and adjourned at 11:51 a.m.

The chair called for an executive session at 3:10 p.m. to consider the following items:

Deliberations Regarding the Deployment, or Special Occasions for Implementation, of Security Personnel or Devices (Texas Government Code, Section 551.076)
- Expenditure Audit/Financial Records System
Consultation with Attorney Regarding Legal Advice or Pending and/or Contemplated Litigation or Settlement Offers, including but not limited to, an update on the Watkins Trust (Texas Government Code, Section 551.071)

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

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, football coaches, athletic director, director of development, executive director of marketing, deans, vice presidents and president (Texas Government Code, Section 551.074)

The executive session ended at 6:25 p.m. and the board meeting was recessed for the evening with no further action.

Tuesday, January 26, 2009

The chair reconvened the board meeting in open session at 9:00 a.m. on Tuesday, January 26, 2009.

PRESENT:

Board Members:  Mr. Joe Max Green, Chair
                Mr. Carlos Amaral
                Mr. Richard Boyer
                Ms. Lacey Claver
                Ms. Valerie Ertz
                Mr. Bob Garrett
                Mr. James Thompson
                Mr. Melvin White

President:       Dr. Baker Pattillo

Vice-Presidents: Dr. Richard Berry
                 Mr. Danny Gallant
                 Mr. Steve Westbrook

General Counsel: Ms. Yvette Clark

Other SFA administrators, staff, and visitors
Regents James Dickerson and Paul Pond were absent from the meetings.

Regent Amaral led the pledge to the flags and provided the invocation.

SPECIAL RECOGNITIONS

Dr. Pattillo introduced faculty members from the Department of Elementary Education who recently won a STAR award from the Texas Higher Education Coordinating Board for their online teacher certification program. Dr. Berry presented exchange students from Rose Bruford College in England and finalists from the student auditions in the Texoma Region of the National Association of Teachers of Singing. Dr. Berry also introduced members of the SACS reaccreditation steering committee.

APPROVAL OF MINUTES

BOARD ORDER 09-10
Upon motion by Regent Thompson, seconded by Regent Ertz, with all members voting aye, the minutes of the October 13 and 14, 2008 board meeting, the November 14, 2008 board meeting, and the January 15, 2009 board meeting were approved.

PERSONNEL

BOARD ORDER 09-11
Upon motion by Regent Ertz, seconded by Regent Garrett, with all members voting aye, the following personnel items were approved:

FACULTY APPOINTMENTS FOR 2008-2009

EDUCATION

Michelle Jones, Instructor of Human Sciences, M.A. (Texas A&M University), at an academic year salary of $46,500 for 100 percent time, effective January 20, 2009.

FORESTRY AND AGRICULTURE

Yanli Zhang, Assistant Professor of Water Resources/Spatial Science, Ph.D. (University of Massachusetts-Amherst), at an academic year salary of $52,000 for 100 percent time, effective January 15, 2009.

SCIENCES AND MATHEMATICS

Debra McMillion, Clinical Instructor of Nursing, MSN (University of Southern Alabama), at an academic year salary of $54,000 for 100 percent time, effective January 20, 2009.
STAFF APPOINTMENTS FOR 2008 – 2009

ADMISSIONS

Michael A. Williams, Admissions Counselor, at an annual salary of $29,840 for 100 percent time, effective November 17, 2008.

ATHLETICS

Laura Beth Cramer, Head Coach Bowling, at a 10.5 month salary of $24,000 for 100 percent time, effective November 3, 2008.

Shannon Dawson, Assistant Football Coach, at a 10.5 month salary of $65,920 for 100 percent time, effective January 7, 2009.

Aaron DeLaTorre, Assistant Football Coach, at a 10.5 month salary of $24,720 for 100 percent time, effective February 1, 2009.

David Gibbs, Assistant Football Coach, at a 10.5 month salary of $65,920 for 100 percent time, effective January 7, 2009.

James C. Harper, Head Football Coach, at an annual salary of $120,949 for 100 percent time, effective February 1, 2009.

Kristopher Kocurek, Assistant Football Coach, at a 10.5 month salary of $55,620 for 100 percent time, effective January 7, 2009.

Jared May, Assistant Football Coach, at a 10.5 month salary of $24,720 for 100 percent time, effective February 1, 2009.

Brandon North, Assistant Football Coach, at a 10.5 month salary of $24,720 for 100 percent time, effective February 1, 2009.

Arlington Nunn, Assistant Head Football Coach, at a 10.5 month salary of $62,044 for 100 percent time, effective February 1, 2009.

Todd Schonbar, Assistant Football Coach, at a 10.5 month salary of $55,620 for 100 percent time, effective February 1, 2009.

Harold Christopher Truax, Assistant Football Coach, at a 10.5 month salary of $61,800 for 100 percent time, effective February 1, 2009.
CHARTER SCHOOL

Linsey N. McAninch, Charter School Teacher, at a 10.5 month salary of $35,900 for 100 percent time, effective December 1, 2008.

CONTROLLER

Aaron K. Riethmayer, Bursar, at an annual salary of $60,000 for 100 percent time, effective September 29, 2008.

DEVELOPMENT

Gregory Garcia, Prospect Research Analyst, at an annual salary of $39,000 for 100 percent time, effective October 6, 2008.

Craig Turnage, Major Gift Officer, at an annual salary of $70,000 for 100 percent time, effective October 6, 2008.

Joel Turner, Major Gift Officer, at an annual salary of $70,000 for 100 percent time, effective October 6, 2008.

FINE ARTS

Stephen R. Bacarisse, Assistant Director Technical Theatre, at an annual salary of $30,000 for 100 percent time, effective September 11, 2008.

RESIDENCE LIFE

Paul Stallworth, Manager-Residence Life Systems, at an annual salary of $38,000 for 100 percent time, effective November 17, 2008.

CHANGES OF STATUS FOR 2008 – 2009

ATHLETICS

Adam H. Koehn, from Area Coordinator at an annual salary of $27,200 for 100 percent time, to Assistant Coach Softball at a 10.5 month salary of $24,000 for 100 percent time, effective January 5, 2009.

AUDIT SERVICES

Nikki L. Shoemaker, from Graduate Assistant at a salary of $12,300 for 50 percent time for four months, to Temporary Staff Auditor Risk and Compliance at an annual salary of $37,500 for 100 percent time, effective December 15, 2008 through August 31, 2009.
BUSINESS

Treba A. Marsh, from Professor and Chair of Accounting at an annual salary of $117,000 for 100 percent time, to Professor and Chair of Accounting, with additional salary due to Temple-Inland Employees Distinguished Professorship, at an annual salary of $120,760 for 100 percent time, effective December 1, 2008.

Gina Small, from Administrative Assistant at an annual salary of $30,489 for 100 percent time, to Academic Advisor at an annual salary of $35,000 for 100 percent time, effective October 13, 2008.

EDUCATION

Patricia Berthot, from Adjunct Faculty at a salary of $8,333 for 83 percent time for four months, to Lecturer of Kinesiology at an academic year salary of $45,500 for 100 percent time, effective January 20, 2009.

Dixie F. Mercer, from Professor and Chair of Human Services at an annual salary of $98,850 for 100 percent time, to Professor of Human Services at an academic year salary of $65,000 for 100 percent time, effective November 1, 2008.

Le’Ann L. Solmonson, from Assistant Professor of Human Services at an academic year salary of $54,030 for 100 percent time, to Assistant Professor and Interim Chair of Human Services at an annual salary of $62,030 for 100 percent time, effective October 1, 2008.

FINANCE AND ADMINISTRATION

Kathleen H. Williamson, from Director Construction Program at an annual salary of $62,000 for 100 percent time, to Director Financial Services at an annual salary of $70,000 for 100 percent time, effective November 1, 2008.

FORESTRY AND AGRICULTURE

Michael S. Fountain, from Professor and Associate Dean of Forestry and Agriculture at an annual salary of $75,433 for 100 percent time, to Professor and Interim Dean of Forestry and Agriculture at an annual salary of $120,000 for 100 percent time, effective January 1, 2009.

LIBERAL AND APPLIED ARTS

Carol J. Antill, from Administrative Assistant at an annual salary of $32,000 for 100 percent time, to Academic Advisor at an annual salary of $35,000 for 100 percent time, effective October 6, 2008.
LIBRARY

Joseph L. Strahl, from Assistant Systems Administrator at an annual salary of $30,032 for 100 percent time, to Database Administrator at an annual salary of $31,800 for 100 percent time, effective October 1, 2008.

SCiences and Mathematics

Trina Menefee, from Administrative Assistant at an annual salary of $26,240 for 100 percent time, to Academic Advisor at an annual salary of $35,000 for 100 percent time, effective January 1, 2009.

University Affairs

Hollie Gammel-Smith, from Assistant Director of Orientation at an annual salary of $44,290 for 100 percent time, to Director of Orientation at an annual salary of $47,000 for 100 percent time, effective November 1, 2008.

D’Andrea L. McGee, from Hall Director III at an annual salary of $22,203 for 100 percent time, to Assistant Director of Multicultural Affairs at an annual salary of $35,000 for 100 percent time, effective December 8, 2008.

Retirements

Anne Commander, Manager, Post Office, effective January 31, 2009.

Nancy Ann Doyle-Anderson, Chair of Department of Modern Languages, effective July 31, 2009.


Promotions

To Assistant Professor, effective spring semester 2009:

Dr. Alan Larson Human Services
Dr. David Howard Music
Dr. Jannah Nerren Elementary Education
Dr. Linda Black Secondary Education
ACADEMIC AND STUDENT AFFAIRS

BOARD ORDER 09-12
Upon motion by Regent Boyer, seconded by Regent Amaral, with all members voting aye, the following academic and student affairs items were approved:

INCREASE IN MINIMUM SCORES ON TOEFL EXAMINATIONS AS ADMISSION REQUIREMENT FOR NON-NATIVE SPEAKERS OF ENGLISH

WHEREAS, the board considered the following: The Academic Affairs Division and the Office of International Programs monitor the academic progress of all international students. Based on data on the academic progress of non-native speakers of English, the administration is recommending an increase in the scores on the Test of English as a Foreign Language (TOEFL) required for undergraduate admission in order to ensure adequate preparation for academic success.

THEREFORE, the minimum TOEFL scores required for undergraduate admission were raised from 500 on the paper-based, 173 on the computer-based, and 61 on the Internet-based tests to 525 on the paper-based, 193 on the computer-based, and 69 on the Internet-based tests.

ADOPTION OF SFA PURPLE PROMISE PROGRAM

WHEREAS, the board considered the following: As part of the university's efforts to increase enrollment and its actions to support the access and participation goals of the state's "Closing the Gaps" initiative, the administration has developed a program to cover the full costs of tuition and fees for four years for students whose family income is $25,000 or less. The "SFA Purple Promise" program will be available to all students whose families fall into this financial category, who are admitted to the university, maintain specified academic standards, and complete a specified number of credit hours per semester.

THEREFORE, the "SFA Purple Promise" program was adopted, effective for fall semester 2009.

REVISED ADMISSION PROCEDURES FOR STEPHEN F. AUSTIN STATE UNIVERSITY EARLY CHILDHOOD LABORATORY

WHEREAS, the board considered the following: The Stephen F. Austin State University Early Childhood Laboratory admissions procedures have been changed to give priority to children of full-time SFASU employees.

Admissions procedures are as follows:

Children will be accepted in the Early Childhood (ECH) Laboratory (Lab) School on a first-come, first-served basis. Exceptions include:
1. A child who has a sibling currently enrolled and attending the ECH Lab School will be given priority over one who does not.
2. A child of a full-time SFASU employee will be given priority over one who is not.
3. Length of time on the wait list will be the next determining factor for allocating positions.
4. The ECH Lab School management will exercise professional judgment in filling vacancies and consideration will be given to the unique makeup of each classroom in order to maintain the highest quality care for all of the children in the facility.

THEREFORE, the new admissions procedures for the Stephen F. Austin State University Early Childhood Laboratory were approved.

TRANSFER OF $20,000 TO A SCHOLARSHIP ENDOWMENT TO MATCH GIFT FROM THE GREATER TEXAS FOUNDATION

WHEREAS, the board considered the following: The Greater Texas Foundation, a Brazos County non-profit corporation, has donated $20,000 to the university on condition of a 1:1 match by the institution in order to endow need-based scholarships for economically disadvantaged and first-generation college students. In order to complete the transaction, it is necessary to match the $20,000 gift with institutional funds. The source of funds will be designated fund balance.

THEREFORE, the board authorized the transfer of $20,000 to the Greater Texas Foundation Removing Educational Barriers Scholarship Endowment, a university endowment fund, to match a $20,000 gift from the Greater Texas Foundation.

BUILDING AND GROUNDS

BOARD ORDER 09-13

Upon motion by Regent Thompson, seconded by Regent Garrett, with all members voting aye, the following building and grounds items were approved:

BAKER PATTILLO STUDENT CENTER AIR AND WATER SYSTEM TESTING

Whereas, the board considered the following: The university is currently in the process of replacing numerous air handling systems in the older section of the Baker Pattillo Student Center. The installation process is scheduled for completion in April 2009. Once completed, there will be a need to test, adjust and balance the complete system in both the new and old sections of the building. Through the use of specialized instruments, measurements will be taken and adjustments made, if necessary, to assure that air and water meet specific flow requirements in order to make the system operate at peak efficiency. This will help the building maintain occupant comfort, as well as increase energy savings. The cost of this work is included in the project budget of $3.6 million.
previously approved by the board. A Request for Proposal was issued for this work, and a team of SFA and Turner Construction representatives reviewed the proposals.

Therefore, it was approved that Air Technologies, Inc. be awarded the contract to test, adjust and balance the HVAC system of the Baker Pattillo Student Center, as specified in the Request for Proposal, for an amount not to exceed $59,800.

E&G CAMPUS DEFERRED MAINTENANCE PROJECTS

WHEREAS, the board considered the following: At its July 25, 2009 meeting, the SFA Board of Regents approved a 2008-09 capital budget that included a $10,000,000 E&G campus deferred maintenance plan. In order to fund the plan, the university is in the process of issuing $10,000,000 of tuition revenue bonds to complete various deferred maintenance projects that have been approved by the Texas Higher Education Coordinating Board (THECB). In association with THECB approval, the university submits the following E&G deferred maintenance projects and budgets:

Chemistry Building Renovation $6,000,000  
SFA Theatre Renovation $ 700,000  
Power Plant 2 HVAC Upgrade $2,450,000  
Life Safety $ 700,000  
Science Research Center $ 150,000

The university submitted a tuition revenue bond request to the 81st Texas Legislature to construct a Molecular Science Building. The regular session of the legislature will end on May 31, 2009. Consequently, no project activity related to the Chemistry Building will occur until the legislative session ends. The university will submit a Chemistry Building renovation plan after legislative resolution of the tuition revenue bond request occurs. Regarding the complete $10 million plan, the THECB has authorized the university to reallocate funds where needed between the various deferred maintenance projects.

THEREFORE, the E&G campus deferred maintenance projects were approved as submitted, with the exclusion of the Chemistry Building renovation. The president was authorized to sign purchase orders and contracts associated with the various projects. The administration was authorized to reallocate funds between the approved deferred maintenance projects, but pending legislative resolution of the Molecular Science Building tuition revenue bond request, expenditures on the projects excluding the Chemistry Building will not exceed the total sum of $4 million. The source of funds for the projects will be tuition revenue bonds.

ELEVATOR REPLACEMENT, SWIMMING POOL EQUIPMENT REPLACEMENT, AND UTILITY INFRASTRUCTURE REPLACEMENT/UPGRADE

WHEREAS, the board considered the following: Many of the facilities on the SFA campus contain equipment or support systems that need to be systematically replaced or
upgraded. There are elevator systems in the Steen Library and the Ferguson Building that need replacement. The Steen Library elevators are over 35 years old and the Ferguson Building elevators are over 39 years old. The indoor swimming pool in the Lucille Norton Complex that is used for kinesiology classes has circulation and filtration plant equipment that must be replaced. In addition, the northeast quadrant utility loop needs to be upgraded to deliver reliable utility service.

The various projects and costs are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steen Library Elevator Replacement</td>
<td>$400,000</td>
</tr>
<tr>
<td>Ferguson Building Elevator Replacement</td>
<td>$260,000</td>
</tr>
<tr>
<td>Lucille Norton Complex Swimming Pool Equipment Replacement</td>
<td>$200,000</td>
</tr>
<tr>
<td>Northeast Quadrant Utility Loop Equipment Replacement and Upgrade</td>
<td>$175,000</td>
</tr>
</tbody>
</table>

Therefore, the administration was authorized to replace the elevators in the Steen Library and the Ferguson Building, replace the circulation and filtration plant in the Lucille Norton swimming pool, and replace/upgrade the northeast quadrant utility loop at the respective budget levels indicated above. The president was authorized to sign all purchase orders and contracts related to the projects. Designated funds will be used for the projects.

REQUEST FOR PROPOSAL: ENERGY SAVINGS PERFORMANCE CONTRACT

WHEREAS, the board considered the following: During fiscal year 2007-08 an Energy Management Committee was constituted that included representatives from the faculty, staff and students. The committee was charged to develop a comprehensive energy management proposal that recommends short and long term energy conservation practices and procedures. Specific issues the committee has been addressing include:

- Develop recommendations for utility conservation measures that could be implemented immediately and/or phased in incrementally
- Balance the need for utility efficiency with the more important need for student, faculty and staff safety
- In addition to utility conservation measures, consider vehicle fuel conservation opportunities
- Consider energy management system solutions
- Consider SFA energy policy recommendations

Energy efficiency equipment upgrades are very expensive and compete for limited capital resources. In order to leverage available resources and address energy efficiency, the committee recommends energy savings performance contracting. Under this method, the university would enter into an agreement with an energy service company (ESCO). The ESCO will identify and evaluate energy saving opportunities and recommend a package of improvements to be paid with energy savings. The ESCO will guarantee that savings meet or exceed annual payments to cover all project costs over the contract term. If savings do not materialize, the ESCO pays the difference back to the university. This
allows the university to pay for improvements through existing budgets. The administration requests approval to issue a Request for Qualifications for an energy service company. Finalists will be selected and presented to the Building and Grounds Committee at the April 2009 meeting. Timing will allow incorporation of the initiative in the 2009-10 budget.

THEREFORE, the administration was authorized to issue a Request for Qualifications for selection of an energy services company.

RESIDENCE HALL/PARKING GARAGE: REQUEST FOR PROPOSALS FOR ARCHITECT AND CONSTRUCTION MANAGER AT RISK

WHEREAS, the board considered the following: the university plans to build a new residence hall and parking garage to meet current and future campus needs. The administration requests approval to issue Requests for Proposals for a project architect and a construction manager at risk to begin the project. Proposals for both will be reviewed by university staff, and a group of architect and construction manager at risk finalists will be presented to the Building and Grounds Committee at the April 2009 board meeting.

THEREFORE, the administration was authorized to issue Requests for Proposals for a project architect and construction manager at risk for the proposed residence hall and parking garage.

BOARD ORDER 09-14
Upon motion by Regent Thompson, seconded by Regent Garrett, with all members voting aye, the following building and grounds item was approved:

VISTA DRIVE AND NORTH STREET TRAFFIC SIGNAL RECONFIGURATION

WHEREAS, the board considered the following: Vista Drive serves as the primary entrance to campus for students, faculty, staff and visitors. It provides direct access to the Baker Pattillo Student Center, administrative buildings and the fine arts center. In order to improve pedestrian access from North Street and manage traffic flow more effectively, the university requests approval to work with the City of Nacogdoches and the Texas Department of Transportation to reconfigure traffic signals and traffic flow at the North Street and Vista Drive intersection.

THEREFORE, the administration was authorized to work with the City of Nacogdoches, Texas Department of Transportation and other appropriate entities to reconfigure the traffic signals and entrance access to campus at a cost not to exceed $400,000. The president was authorized to sign all purchase orders and contracts associated with the project. The source of funds for the capital project is available higher education assistance funds.
BOARD ORDER 09-15
Upon motion by Regent Thompson, seconded by Regent Garrett, with all members voting aye, the following building and grounds item was approved:

SITE DEVELOPMENT OF THE NORTH STREET AND EAST COLLEGE STREET CORNER

WHEREAS, the board considered the following: As part of the campus signage project, a Stephen F. Austin State University identification sign was constructed at the corner of North Street and East College Street. The sign accentuates the northwest corner boundary of the main campus. That section of campus contains the central component of the College of Fine Arts. In order to enhance the appearance of the northwest corner boundary of the main campus, the university requests approval to develop the site between the SFA identification sign and the fine arts complex.

THEREFORE, the site between the Stephen F. Austin State University identification sign at the corner of North Street and East College Street and the fine arts complex will be developed with a project budget of $200,000. The president was authorized to sign all contract and purchase orders associated with the project. The source of funds is the Capital Reserve.

FINANCIAL AFFAIRS

BOARD ORDER 09-16
Upon motion by Regent White, seconded by Regent Ertz, with all members voting aye, except Regent Green, who recused himself from discussion and voting on the Resolution to Approve Qualified Financial Institutions and Investment Brokers, the following financial affairs items were approved:

APPROVAL OF THE FISCAL YEAR 2007-2008 ANNUAL FINANCIAL REPORT

WHEREAS, the board considered the following: On November 20, 2008, the Stephen F. Austin State University Financial Report for the fiscal year that ended August 31, 2008 was submitted to the Governor, Comptroller of Public Accounts, Legislative Budget Board and State Auditor as required by law.

THEREFORE, the Stephen F. Austin State University Annual Financial Report was approved as submitted.

RESOLUTION TO ACKNOWLEDGE REVIEW OF INVESTMENT POLICY AND STRATEGY

WHEREAS, the board considered the following: In accordance with the Texas Public Funds Investment Act, the university’s investment policy and strategy must be annually reviewed by the governing board of the institution. In addition, the law requires the governing body to adopt a written instrument by rule, order, ordinance, or resolution
stating that it has reviewed the investment policy and strategy. The resolution, included in Appendix 1, acknowledges the board's annual review of Policy C-41, Investments. Policy C-41 is included in the Policy Revisions, Appendix 4.

THEREFORE, the Resolution to Acknowledge Review of the Investment Policy and Strategy was approved as presented in Appendix 1.

RESOLUTION TO APPROVE QUALIFIED FINANCIAL INSTITUTIONS AND INVESTMENT BROKERS

WHEREAS, the board considered the following: The Texas Public Funds Investment Act requires the university to adopt a resolution by the governing body of the institution that specifies qualified investment brokers. The following brokers/investment managers are listed in the resolution, submitted in Appendix 2: Merrill Lynch, Inc., Cadence, Columbus Circle, Alliance Bernstein International, LMT Management Group, Fayez Sarofim & Co., Lazard Asset Management, Blackrock Investment Management, LLC, ING Investment Management, NFJ Investment Group L.P., Davis Advisors, Citizen's 1st Bank, Austin Bank, BancorpSouth, Commercial Bank of Texas NA, First Bank and Trust, Regions Bank, Regions Morgan Keegan Trust and Texas Bank.

THEREFORE, the resolution approving financial institutions, investment managers and brokers were approved as presented in Appendix 2.

BARNES AND NOBLE BOOKSTORE CONTRACT RENEWAL

WHEREAS, the board considered the following: In July 2004 the university entered into a five-year contract with Barnes & Noble College Booksellers, Inc. for the purpose of providing bookstore operations and management for the university. This contract is scheduled to expire on July 15, 2009. The terms of the current contract provide for a five-year renewal upon mutual agreement between the parties.

In November 2008 Barnes & Noble informed the university of the company's desire to renew its contract. After subsequent negotiations, Barnes and Noble has agreed to renewal modifications that result in an increased benefit to the university.

THEREFORE, the board authorized the president to sign a renewal of the bookstore services contract with Barnes & Noble College Booksellers, Inc. with a term that expires on July 15, 2014 and includes the modifications outlined in Appendix 3.

UNIVERSITY POLICIES AND PROCEDURES

BOARD ORDER 09-17
Upon motion by Regent Ertz, seconded by Regent White, with all members voting aye, the Board of Regents adopted the policy revisions as presented in Appendix 4.
REPORTS

The director of audit services presented a report on the annual audit plan, including the following topics:

- NCAA Agreed Upon Procedures Report
- Expenditure Testing and Vendor Verification Audit Report
- Current Audits in Process

The chair of the Faculty Senate presented a report on the future of the classroom, demonstrating the use of new technologies.

The president of the Student Government Association presented a report introducing new officers and giving highlights of the SFA visioning conference. Spring elections will be held on April 2 and 3. The SGA office has been renovated and the student center will have 24 hour access for the students during Dead Week and finals.

The president presented a report on the following:

- Upcoming dates in the calendar:
  - February 18 and 19: Nacogdoches/SFA Day in Austin
  - April 20 and 21: Board Meeting
  - July 20 and 21: Board Meeting
  - July 19: Opening of the ECRC
  - August 8: Wedding of Paige Pattillo and Todd Brown
  - August 15: Summer Commencement
- Student Regent appointment process
- Appointment of the Admission Standards Committee
- Legislative Update
- Recognition of the 250th Board of Regents meeting

Dr. Pattillo announced that the governor has appointed new members to the board for terms ending in 2015. Ms. Valerie Ertz from Dallas has been reappointed for another six year term; Dr. Scott Coleman from Houston has been appointed to replace Paul Pond, whose term is ending January 31. Mr. Steve McCarty from Alto has been appointed to replace Joe Max Green, whose term is ending January 31. The new members will take office as soon as their appointments have been confirmed by the Texas Senate.

Dr. Pattillo expressed thanks to Regent Ertz and Regent Green for their service and presented to them a portrait and a commemorative Lumberjack Axe. He also presented to Chair Green a gavel plaque for his service to the board as chair.

Chair Green appointed the following to serve on the board nominating committee: Valerie Ertz, chair; Bob Garrett; and James Dickerson.

The meeting was adjourned at 10:34 a.m.
RESOLUTION TO ACKNOWLEDGE REVIEW OF INVESTMENT POLICY AND STRATEGY

WHEREAS, The Texas Public Funds Investment Act requires that each university's investment policy and strategy must be annually reviewed by the governing board of the institution; and

WHEREAS, the law also requires the governing body to adopt a written instrument stating that it has reviewed the investment policy and strategy;

NOW THEREFORE BE IT RESOLVED that the Stephen F. Austin State University Board of Regents, by the issuance of this resolution, does hereby approve the investment policy and strategy as reviewed on January 27, 2009; and

BE IT FURTHER RESOLVED that a copy of this resolution be spread upon the minutes of the January 27, 2009 meeting of the board.

Attest:

Joe Max Green, Chair

Melvin R. White, Secretary
RESOLUTION APPROVING FINANCIAL INSTITUTIONS AND BROKERS FOR INVESTMENT TRANSACTIONS

WHEREAS, The Texas Public Funds Investment Act requires the university to submit a resolution approving a list of qualified investment brokers to the governing body of the institution for adoption and/or review; and

WHEREAS, the following firms are approved investment brokers:
- Merrill Lynch, Inc.
- Cadence
- Columbus Circle
- Alliance Bernstein International
- LMT Management Group
- Fayez Sarofim & Co.
- Lazard Asset Management
- Blackrock Investment Management, LLC
- ING Investment Management
- NFJ Investment Group, L.P.
- Davis Advisors

WHEREAS, the following firms are approved financial institutions:
- Citizens 1st Bank
- Austin Bank
- BancorpSouth
- Commercial Bank of Texas NA
- First Bank and Trust
- Regions Bank
- Regions Morgan Keegan Trust
- Texas Bank
- TexSTAR

NOW THEREFORE BE IT RESOLVED that the Stephen F. Austin State University Board of Regents, by the issuance of this resolution, does hereby approve the above listed firms for investment transactions by Stephen F. Austin State University; and

BE IT FURTHER RESOLVED that a copy of this resolution be spread upon the minutes of the January 27, 2009 meeting of the board.

Joe Max Green, Chair

Melvin R. White, Secretary
Barnes and Noble Booksellers, Inc.
Major Substantive Modifications
For Renewal Contract

Renewal Term: July 16, 2009 until July 15, 2014

Annual Commission to University:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Current</th>
<th>New</th>
<th>Percentage Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>9.5%</td>
<td>10.5%</td>
<td>of all gross sales from $0 - $4,000,000</td>
</tr>
<tr>
<td>Tier 2</td>
<td>10.5%</td>
<td>12.5%</td>
<td>of all gross sales from $4,000,000 - $5,000,000</td>
</tr>
<tr>
<td>Tier 3</td>
<td>12.0%</td>
<td>13.5%</td>
<td>of all gross sales over $5,000,000</td>
</tr>
</tbody>
</table>

Minimum Guaranteed Annual Commission: $350,000

(Note: FY2008 Sales were $4,483,592 and have increased 30.6% during the term of the current contract.)

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Scholarships</td>
<td>-0-</td>
<td>$6,000</td>
</tr>
<tr>
<td>Annual Marketing Fund</td>
<td>-0-</td>
<td>$10,000</td>
</tr>
<tr>
<td>Annual Facilities Investment</td>
<td>-0-</td>
<td>$10,000</td>
</tr>
<tr>
<td>Annual Unrestricted Donation</td>
<td>-0-</td>
<td>$50,000</td>
</tr>
<tr>
<td>One-time Unrestricted Donation</td>
<td>-0-</td>
<td>$25,000*</td>
</tr>
</tbody>
</table>

* made upon software integration with registration system
## Policies for Board Review
### January 27, 2009

<table>
<thead>
<tr>
<th>Policy Name</th>
<th>Policy Number</th>
<th>Major Action/Change</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Promotion</td>
<td>E-3A</td>
<td>Major rewrite.</td>
<td>P-3</td>
</tr>
<tr>
<td>Access to University Records</td>
<td>D-1</td>
<td>Updated statutory references and captions.</td>
<td>P-15</td>
</tr>
<tr>
<td>Asbestos Removal</td>
<td>D-5</td>
<td>Updated captions.</td>
<td>P-17</td>
</tr>
<tr>
<td>At-Will Employment</td>
<td>E-66</td>
<td>Added staff attorney position to policy.</td>
<td>P-19</td>
</tr>
<tr>
<td>Best Value Procurement</td>
<td>C-7</td>
<td>Major rewrite.</td>
<td>P-21</td>
</tr>
<tr>
<td>Discipline and Discharge</td>
<td>E-11</td>
<td>Added termination of temporary job as example of involuntary termination. Updated captions.</td>
<td>P-27</td>
</tr>
<tr>
<td>Disposition of Abandoned Personal Property</td>
<td>D-9</td>
<td>Updated titles and captions.</td>
<td>P-33</td>
</tr>
<tr>
<td>Emergencies</td>
<td>F-10</td>
<td>Updated captions.</td>
<td>P-35</td>
</tr>
<tr>
<td>Employee Training</td>
<td>E-64</td>
<td>Updated captions.</td>
<td>P-37</td>
</tr>
<tr>
<td>Faculty/Staff Traffic Appeals</td>
<td>D-12</td>
<td>Updated titles and captions.</td>
<td>P-40</td>
</tr>
<tr>
<td>Family and Medical Leave</td>
<td>E-58</td>
<td>Added new military family leave entitlements. Deleted personal extended sick leave.</td>
<td>P-43</td>
</tr>
<tr>
<td>Gifts, Loans, Endowments and Bequests</td>
<td>C-16</td>
<td>Added online location for fundraising request form. Added exception to minimum level for endowments.</td>
<td>P-48</td>
</tr>
<tr>
<td>Investments</td>
<td>C-41</td>
<td>Updated staff responsibilities.</td>
<td>P-55</td>
</tr>
<tr>
<td>Investments-Endowment Funds</td>
<td>C-41.A</td>
<td>Updated staff responsibilities.</td>
<td>P-67</td>
</tr>
<tr>
<td>Nepotism</td>
<td>E-33</td>
<td>Revised definitions. Updated captions.</td>
<td>P-76</td>
</tr>
<tr>
<td>Property Inventory and Management</td>
<td>C-42</td>
<td>Revised department title. Added RFID scan procedure. Expanded deadline definitions. Director of ITS will be notified of computer loss.</td>
<td>P-78</td>
</tr>
<tr>
<td>Purchases from Employees</td>
<td>C-27</td>
<td>Major rewrite.</td>
<td>P-87</td>
</tr>
<tr>
<td>Purchasing Ethics and Confidentiality</td>
<td>C-33</td>
<td>Major rewrite.</td>
<td>P-90</td>
</tr>
<tr>
<td>Records Management</td>
<td>D-28</td>
<td>Updated captions.</td>
<td>P-94</td>
</tr>
<tr>
<td>Request to Establish an Account</td>
<td>C-34</td>
<td>Request is submitted to controller's office. Updated captions.</td>
<td>P-97</td>
</tr>
<tr>
<td>Retirement Programs</td>
<td>E-43</td>
<td>Updated information on employer matching contributions. Updated captions.</td>
<td>P-98</td>
</tr>
<tr>
<td>Policy Name</td>
<td>Policy Number</td>
<td>Major Action/Change</td>
<td>Page Number</td>
</tr>
<tr>
<td>--------------------------</td>
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<td>------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Security Sensitive Positions</td>
<td>E-44</td>
<td>HR will conduct criminal record checks. Updated captions.</td>
<td>P-101</td>
</tr>
<tr>
<td>Special Purchases</td>
<td>C-36</td>
<td>PO over $100,000 requires board approval. Added reference to Policy C-33. Updated department title.</td>
<td>P-103</td>
</tr>
<tr>
<td>Temporary Employment</td>
<td>E-49</td>
<td>Added procedure for Temporary Staff Appointments. Updated department title.</td>
<td>P-106</td>
</tr>
<tr>
<td>Travel</td>
<td>C-49</td>
<td>Major rewrite.</td>
<td>P-108</td>
</tr>
<tr>
<td>USA Patriot Act</td>
<td>E-63</td>
<td>Updated captions.</td>
<td>P-123</td>
</tr>
</tbody>
</table>
Academic Promotion (E-3A)

Original Implementation: October 19, 1978
Last Revision: February 3, 2005, January 27, 2009

I. General Provisions

Stephen F. Austin State University seeks to maintain the strongest faculty possible. The University thus provides for

A. For purposes of this policy:
   1. "Promotion" means advancement based upon a faculty member's academic credentials and experience and meritorious performance in teaching, research and/or scholarly/creative accomplishments, and service.

B. The Stephen F. Austin State University Policy Manual establishes a uniform system of procedures to be used for promotion in all academic units of the University. Each college and department of the University shall also establish its own written policy governing its promotion decision-making guidelines, to direct departments where circumstances require or permit flexibility or variation. Each policy must conform to University Policy E-3A and contribute to the mission of the department, college, and the University.

II. Academic Rank

A. This policy applies to the following ranks (see Policy E-1A):
   1. Professor
   2. Associate Professor
   3. Assistant Professor
   4. Instructor

B. The ranks of Librarian I, II, III, and IV are governed under Policy E-31A.

III. Promotion Awards

A. In order to assure that faculty recommendations and administrative decisions relative to promotion are equitable, the following procedures are observed.

B. Criteria

1. The minimum criterion for appointment to the rank of Instructor at the University is a master's degree in the field in which the individual will be teaching.

2. In order to be promoted to any of the academic ranks, an individual is expected to have completed the highest level course of academic study available in the discipline of his/her primary responsibility. Ordinarily, that would be a doctoral degree or a master's degree that is considered to be a terminal degree in the particular field.

3. Generally, the tenure and promotion process shall be linked for faculty who have served the full probationary period (see Tenure Policy, E-50A).
4. Beyond adequate credentials, progress through the academic ranks shall be determined in keeping with the criteria established in this policy and in departmental and college policies. Faculty seeking promotion in rank must meet the minimum criteria for the rank and shall have demonstrated sustained achievement in teaching, research, and service as indicated by administrative evaluations.

5. To be promoted to the rank of Assistant Professor an individual should demonstrate the capability to teach effectively, produce research/creative works, and provide service to the academic and general communities.

6. To be promoted to the rank of Associate Professor an individual should have a proven record of effective teaching, research/creative works, and service to the academic and general communities.

7. To be promoted to the rank of Professor an individual should have a sustained and recognized record of effective teaching, research/creative accomplishments, and service to the academic and general communities.

8. In order to hold either of the upper two academic ranks, an individual is expected to have some previous teaching experience and to have held a lower rank.
   a. To apply for the rank of Associate Professor, an individual should have held the rank of Assistant Professor for at least five years. This means that the application will profile five complete years in the rank of Assistant Professor.
   b. To apply for the rank of Professor, an individual hired before September 1, 2005, must have completed a minimum of three full years of service at the rank of Associate Professor. This means that the application will profile three complete years in the rank of Associate Professor.
   c. To apply for the rank of Professor, an individual hired on or after September 1, 2005, must have completed a minimum of four full years of service at the rank of Associate Professor. This means that the application will profile four complete years in the rank of Associate Professor.
   d. In exceptional circumstances when warranted by extraordinary performance, faculty members may be reviewed for promotion earlier. The evidence to support early promotion must be unequivocal.

9. Scholarly leave of absence (those related to reasons 1, 2, 3, and 4 of Policy E 29A) will count as part of the service in rank unless the candidate and the institution agree in writing to an exception to this provision at the time the leave is granted.

10. Periods during which a faculty member is on leave of absence for one semester or more due to health related issues (see reason 5 of
Appendix 4

Policy E-29A and the description of Family Medical Leave and Organ or Bone Marrow Donors in Policy E-29A) or national guard service (see Authorized Training for Duty, Call to National Guard Active Duty by the Governor, and Call to National Duty in Policy E-29A) shall not be counted as part of the service in rank unless the candidate and the institution agree in writing to an exception to this provision at the time the leave is granted.

11. For purposes of calculating years of service in rank, an “academic year” shall be the approximate nine-month period from September through May. If a faculty member begins service during an academic year, the period of service from the date of appointment until beginning of the following academic year shall not be counted toward years of service in rank, unless the inclusion of that period of service is approved by the Provost and Vice-President for Academic Affairs.

2. "Department/School" (referred hereafter as department) is a subdivision of a college/library (hereafter referred to as college).

3. "Academic Chair/Director of the Department" (referred hereafter as department chair) is the academic administrator immediately responsible for the department.

4. "Promotion Review Portfolio" (referred to hereafter as portfolio) as used in this policy shall be defined as a set of verifiable materials showing evidence of a candidate's fitness for promotion. The portfolio should contain a succinct, substantive, cumulative and relevant record of a candidate's performance during the period under review.

B. Promotion is awarded by the institution according to established procedures after an appropriate period on the basis of meritorious performance in teaching, research and/or scholarly/creative accomplishment, and service.

1. Promotion shall normally be restricted to full-time faculty members who have earned the highest academic degree customarily awarded in their field of study; exceptions to this rule may be granted by the Provost and Vice President for Academic Affairs (VPAA).

2. In exceptional circumstances, special training in recognized institutions (such as conservatories or research institutes) or the attainment of nationally recognized licenses/certificates may be judged to satisfy the requirement for advanced degrees. Practical experience and/or demonstrable expertise and performance in activities related directly to one's faculty appointment may be judged to satisfy the requirement for advanced degrees and/or years of experience. Similarly, a record of truly exceptional performance in some areas of the basic responsibilities to teaching, scholarship, performance, and service may mitigate against slight
Appendix 4

contributions in other areas in consideration for promotion, within the performance guidelines established for each rank. The evidence to support promotion based upon exceptional considerations must be unequivocal.

G. Promotion Procedures

A faculty member may be nominated or apply for promotion.

C. This policy establishes a system of procedures for promotion in all academic units of the university. Each college and its departments shall also establish written policies governing promotion decision-making procedures that are consistent with this policy.

II. Academic Rank

A nomination may be initiated by an individual faculty member, the department chair, or other appropriate administrative officer of the University. This policy applies to the following ranks (see Policy E-IA):

2. An application for early promotion will be approved only if the individual significantly exceeds departmental and college expectations.

3. The applicant/nominee is responsible for developing and submitting to the department chair a dossier of supporting materials. If the individual is also applying for tenure, only one dossier for both processes should be submitted.

4. The dossier must be submitted in the fall semester of the appropriate year of service.

5. The dossier should include a table of contents, a brief narrative highlighting accomplishments since initial appointment or last promotion and explaining persuasively why the individual meets expectations for promotion; a Curriculum Vitae; and annual administrative evaluations since initial appointment or last promotion. The promotion dossier should also include documentation of the following:

a. teaching effectiveness (i.e., summaries of student evaluations, teaching awards, peer evaluations, innovative teaching approaches)

b. scholarly or creative activities (i.e., publications, research/creative projects, photographs of artworks, finished pieces of work)

c. university-related service (i.e., committee responsibilities, leadership roles assumed at department, college, and university level)

d. contributions to profession (i.e., memberships in professional organizations, offices held, other leadership roles)
Appendix 4

e. general community service related to the profession (i.e., presentations and activities that enhance the professional discipline

Each dossier will be evaluated
1. Professor
2. Associate Professor
3. Assistant Professor

B. The ranks of Librarian I, II, III, and IV are governed under Policy E-31A.

III. Promotion Awards
A. General Principles
1. Promotion is not an entitlement but must be earned by fulfilling the criteria appropriate to the rank. Recommendations and decisions on promotion shall not discriminate on the basis of race, color, religion, sex, age, national origin, disability, or disabled veteran status.
2. Application processes for tenure and promotion can be undertaken at the same time so long as the promotion criteria for the rank are fulfilled.
3. For purposes of calculating years of service in rank, an "academic year" shall be the approximate nine-month period from September through May. If a faculty member begins service during an academic year, the period of service from the date of appointment until beginning of the following academic year shall not be counted toward years of service in rank, unless the inclusion of that period of service is approved by the Provost and VPAA.
   a. A scholarly leave of absence (those related to reasons 1, 2, 3, and 4 of Policy E-29A) shall count as part of the service in rank unless the candidate and the Provost and VPAA agree in writing to an exception to this provision at the time the leave is granted.
   b. Periods during which a faculty member is on leave of absence for one semester or more due to health-related issues (see reason 5 of Policy E-29A and the description of Family Medical Leave and Organ or Bone Marrow Donors in Policy E-29A) or national guard service (see Authorized Training for Duty, Call to National Guard Active Duty by the Governor, and Call to National Duty in Policy E-29A) shall not be counted as part of the service in rank unless the candidate and the Provost and VPAA agree in writing to an exception to this provision at the time the leave is granted.
   c. In exceptional circumstances when warranted by extraordinary performance, faculty members may be reviewed for promotion earlier with the approval of the
Appendix 4

dean and Provost and VPAA. The evidence to support early promotion must be unequivocal.

B. Promotion Criteria

1. To be promoted to the rank of Associate Professor, an individual must demonstrate excellence in teaching and excellence in either research/scholarly/creative accomplishments or in service. At least satisfactory performance shall be demonstrated in the other category. Excellence in one category will not compensate for poor performance in any of the other categories. To apply for the rank of Associate Professor, an individual should have held the rank of Assistant Professor for at least three years at SFASU. The portfolio shall document all years in service at SFASU at the rank of Assistant Professor.

2. To be promoted to the rank of Professor, candidates shall demonstrate excellence in all categories appropriate to promotion: teaching, research and/or scholarly/creative accomplishments, and service. To apply for the rank of Professor, an individual should have held the rank of Associate Professor for at least three years at SFASU. The portfolio shall document all years in service at SFASU at the rank of Associate Professor.

C. Promotion Procedures

6.-1. Each college and its departments shall establish a promotion review process that is approved by the dean and the Provost and VPAA. A copy of all college/department promotion review policies must be retained in the offices of the Provost and VPAA and general counsel. The promotion review process must allow for review of faculty being considered for promotion by all full-time department faculty members holding rank higher than the candidate.

a.-The chair will make the dossier available for review.

After the appropriate faculty have reviewed the dossier, the chair of the department chair, elected faculty (one from each department will schedule a meeting of) at the department promotion committee, which will consist of all full-time departmental faculty holding rank higher than the candidate. The department promotion committee will meet and elect a member of the group to chair the committee; and carefully consider the candidate’s application in reference to department, college, and university criteria for awarding promotion. The committee’s considerations must be limited to the criteria for awarding promotion level and the dean. The department, with approval of the college dean and Provost and VPAA, shall establish the promotion criteria in teaching effectiveness, research and/or scholarly/creative accomplishments, and rendered service.
2. The applicant is responsible for developing and submitting to the department chair a portfolio of supporting materials. If the individual is also applying for tenure, only one portfolio for both processes should be submitted.

3. The portfolio must be submitted in the fall semester of the appropriate year of service according to the timetable established by the Provost and VPAA.

4. The portfolio should include a table of contents, a brief narrative highlighting accomplishments since initial appointment or last promotion; an explanation why the individual meets expectations for promotion; a curriculum vitae; and annual administrative evaluations since initial appointment or last promotion. Once the portfolio is completed and submitted, nothing shall be added or deleted except according to department, college, or university policy.

5. The promotion portfolio should also include documentation of the following:
   a. teaching effectiveness (e.g., summaries of student evaluations, teaching awards, peer evaluations, innovative teaching approaches);
   b. research and/or scholarly/creative accomplishments (e.g., publications, research/creative projects, photographs of artworks, finished pieces of work);
   c. university-related service (e.g., committee responsibilities, leadership roles assumed at department, college, and university level);
   d. contributions to profession (e.g., memberships in professional organizations, offices held, other leadership roles);
   e. general community service related to the profession (e.g., presentations and activities that enhance the professional discipline).

6. The department chair shall make the portfolio available for review by all full-time department faculty members holding rank higher than the candidate. These faculty members shall constitute the departmental promotion committee/panel for the candidate. It is possible that two separate promotion committees/panels may be necessary in a department, one for promotion to Associate Professor and one for promotion to Professor.
   a. Administrators who are not involved in the promotion recommendation process at another level are eligible to serve on promotion committees.
   b. In departments with two or fewer full-time departmental faculty holding rank higher than the candidate, the chair of the department and each candidate shall submit separately to the dean of the college a list of three names of full-time
Appendix 4

faculty members holding rank higher than the candidate from other departments in the university holding rank higher than the candidate. The dean in association with the Provost shall appoint members from these lists or others, until there are at least three members of the departmental promotion committee/panel.

e. Following the meeting of departmental promotion.

The committee/panel, each committee member shall submit a written recommendation and supporting comments to the chair of the committee clearly indicating that the candidate be granted or not granted promotion.

f. The chair of the department promotion committee will collect and transfer to the chair of the department the recommendations and supporting comments of the committee members. The chair of the department promotion committee will also report in writing to the department chair the recommendation of the committee along with supporting comments in summary form. The written recommendation must be reviewed and signed by members of the committee. Dissenting comments may be attached.

g. The chair of the candidate's department will evaluate the dossier submitted by the candidate, recommendations from the department committee, and other evidence deemed pertinent; the chair will notify the candidate as indicated below.

h. The chair shall notify each candidate in writing of committee/panel and chair recommendations in a manner and timeframe congruent with department and college policies. The chair shall make a recommendation on promotion even if not holding a rank higher than the candidate. Within six (6) class days of completion of the evaluation by the faculty from the candidate's department and the chair of the candidate's department, each candidate will be notified in writing by the chair of the department of the status of his/her application for promotion and the recommendation from the department committee and chair.

Within six (6) class days of being allowed to review the written recommendations and supporting comments of the department and chair, the candidate may attach a letter of response addressing factual errors of fact in the recommendations. Such a
letter notification and any subsequent response will by the candidate shall become part of the dossier portfolio.

3. The chair’s recommendation and supporting comments will be submitted to the appropriate college promotion committee, along with the dossier, the recommendations generated at each preceding stage of the evaluation and the candidate’s response(s) if any.

7. Each dossier, including all supporting materials, recommendations, and candidate responses (if any), will be evaluated by the appropriate college promotion committee with regard to the candidate’s credentials and performance as a faculty member.

a. Two college committees will be formed
   1. The membership of Committee A will consist of Professors, and the committee will consider promotions to Professor.
   2. The membership of Committee B will consist of Associate Professors and Professors, and the committee will consider promotions to Assistant Professor and Associate Professor.

b. College promotion committees will consist of no fewer than three members. Whenever possible, the committees will include at least one elected representative of each department in the college and may include external representatives in accordance with college policy.

c. Members shall be elected from and by the full-time faculty of each department/school in the college in an election conducted by the chair of each department.

d. Only administrators who are not involved in the promotion recommendation process at another level are eligible to serve on promotion committees.

e. Each committee member will review the dossier.

f. After the committee members have reviewed the dossier, the dean will schedule an organizational meeting of the committees.

g. The college promotion committees will meet separately and apart from the dean and elect a member to chair each committee; and carefully discuss and consider the dossier. The committees’ discussion must be limited to the department, college and university criteria for awarding promotion.

h. Following this discussion, each committee member will submit a written recommendation and supporting comments to the chair of the appropriate committee clearly
indicating that the candidate be granted or not granted promotion.

i. The chair of each college promotion committee will collect and transfer to the dean the recommendations and supporting comments of the committee members. The chair of each college promotion committee will also report in writing to the dean the recommendation of the committee along with supporting comments in summary form. The written recommendation must be reviewed and signed by members of each committee. Dissenting comments may be attached.

j. The dean of the college will evaluate the dossier submitted by the candidate, recommendations from the department committee, and any other evidence deemed pertinent; the dean will notify the candidate as indicated below.

8. Once the departmental review process is completed, all documentation shall be forwarded to the candidate's dean. The dean shall follow college policy in assembling promotion committees/panels. The committees/panels shall make their recommendations to the dean who shall notify each candidate in writing of the committee/panel's and dean's recommendations in a manner congruent with college policy. Within six (6) class days of completion of the evaluation by the college promotion committee and the dean, each candidate and their department chair will be notified in writing by the dean of the status of the candidate's application for promotion and the recommendation from the promotion committee and dean.

Within six (6) class days of being allowed to review the written recommendations and supporting comments, the candidate may attach a letter of response addressing factual errors of fact in the recommendations. Such a letter notification and any subsequent response will by the candidate shall become part of the dossier portfolio.

3. The dean's recommendation and supporting comments will be submitted to the Provost and Vice President for Academic Affairs, along with the dossier, the recommendations generated at each preceding stage of the evaluation and the candidate's response(s) (if any).
8. The Provost and Vice President for Academic Affairs will review these materials as a basis for making recommendations to the President of the University. The Provost and Vice President for Academic Affairs will submit to the President a recommendation to promote/not promote for each candidate and the recommendations made at each step of the review process.

9. After the college has completed its promotion review, the portfolio along with all department and college recommendations and comments are submitted to the Provost and VPAA for review. The Provost and VPAA shall submit a recommendation on each candidate's promotion to the President, along with all materials and the recommendations generated at each preceding stage of the process. At the same time, the Provost and VPAA shall notify the candidate of the recommendation submitted to the President.

10. The President shall review all materials and recommendations and any other evidence deemed pertinent and make a basis for his/her recommendation to the Board of Regents that the candidate be promoted. After the decision of the Board of Regents, the packet of supporting materials prepared by the candidate will be returned to the applicant.

11. Promotion in rank is by action of the Board of Regents of Stephen F. Austin State University. Exceptions to the policies and procedures set forth above may be related to promotion must be authorized only by the President of the university as authorized by the Board of Regents.

12. Within the next class day following the action of the Board of Regents, each candidate will be notified in writing by the Provost and Vice President for Academic Affairs of the action of the Board.

Source of Authority: President; Board of Regents

Cross Reference: Academic Appointments and Titles, Policy E-1A; Library Faculty, Policy E-31A; Tenure, Policy E-50A

Responsible for Implementation: Provost and Vice President for Academic Affairs
Contact for Revision: Provost and Vice President for Academic Affairs

Forms: None
Access to University Records (D-1)

Original Implementation: 1975
Last Revision: January 19, 2006January 27, 2009

Access to documents or records in the custody or control of Stephen F. Austin State University is determined by the provisions of state law. In general, the records of the university are open to public inspection during normal business hours, upon written request. However, various exceptions to the public's right to examine university documents exist under law. These include, but are not limited to, information in personnel files, the disclosure of which would clearly be an unwarranted invasion of privacy; documents relating to litigation or settlement negotiations; information relating to the possible purchase of real property; student records; interagency or intragency memoranda or letters not available by law except in the context of litigation; and rare books or original manuscripts held for the purpose of research.

The Office of the General Counsel has been designated by the Board of Regents as the Public Information Coordinator responsible for processing public information requests. Requests for public information by outside entities and vendors are to be immediately referred to the Office of the General Counsel. The requests must be in writing and may be submitted by mail, fax, email or in person. The requestor must include enough description and detail about the information requested to enable the governmental body to accurately identify and locate the information requested. The requestor must also cooperate with the governmental body's reasonable efforts to clarify the type or amount of information requested. The university may charge for copies of public information in accordance with the fee schedule created by the Texas Building and Procurement Commission set out in 1 Tex. Admin. Code § 70.3.

Requests by student organizations that are for organizational use only should be submitted to the Office of Student Affairs. Requests for Alumni information should be submitted to the Alumni Association.

This policy does not prevent either students or employees from examining university records applying to themselves.

Source of Authority: Public Information Act, Texas Government Code, Chapter 552; President

Cross Reference: NonePublic Information Act, Texas Government Code, Chapter 552

Responsible for Implementation: General Counsel

Contact for Revision: General Counsel
Forms: None
Asbestos Removal (D-5)

Original Implementation: July 12, 1988
Last Revision: January 19, 2006 January 27, 2009

Stephen F. Austin State University provides for the training of certain University personnel, the establishment of an inspection and abatement program, and maintenance procedures relating to asbestos in University buildings and facilities. The University's objective is that all personnel who may work in an area with asbestos or materials which contain asbestos be informed of the history of asbestos, its past and present use, health affects, and remedial action necessary to meet current regulations and to maintain a safe work environment.

1. A. Purpose
   
   1.1. Identification and immediate removal of any asbestos-containing material that is in a friable state by accredited, competent, trained personnel
   1.2. Strict enforcement of OSHA, EPA, NIOSH, NESAPHS, and the Texas State Health Department regulations and guidelines to ascertain as well as possible that no one is exposed to an asbestos hazard.
   1.3. Continuance of an on-going program to maintain asbestos-containing material in a safe condition and remove and/or encapsulate this material as funds are available.

2. B. Asbestos Program Manager

   2.1. The Asbestos Program Manager (APM) must be licensed by the Texas State Health Department as an Asbestos Inspector, Management Planner, and must satisfactorily complete the appropriate examination administered by the Environmental Protection Agency. The APM will stay abreast of all pertinent regulations regarding asbestos.
   2.2. The APM will establish a training program to be completed by all University employees who might reasonably be expected to come into contact with asbestos material during the performance of their employment.
   2.3. The APM will establish guidelines for supervisors who will provide periodic reminders to employees (following completion of the initial training program) of the employee's duty to inform their supervisor when any material containing asbestos becomes friable or may become friable due to daily wear-and-tear, roof leaks or maintenance.
   2.4. All University buildings and facilities have been inspected to identify asbestos-containing materials. Bulk samples have been taken. Upon notification of building renovation, modification, or demolition, records
will be checked; and if asbestos-containing material is present, abatement will be scheduled.

K.5. The APM will maintain two current files, located remotely from each other, on all University buildings and facilities containing any form of asbestos at 1% or above. It will be the responsibility of each maintenance crafts employee to notify his/her supervisor any time a question arises relating to work which may involve contact with suspected asbestos materials, and when the work requirements listed below are anticipated.

- a wall, ceiling, floor, or partition is to be penetrated, scored, drilled, refinished, or otherwise altered
- pipe insulation is removed, damaged, or altered
- boilers, chillers, hot water tanks, heat exchangers, valves, and piping are repaired, changed, or altered in a way that may affect the insulation
- painting or paint removal is done to a surface that could possibly contain asbestos

3-C. Implementation

L.1. If at any time, an employee is working around suspect material, they are to stop immediately and notify their supervisor. The supervisor will notify the Asbestos Program Manager so that records may be researched and an approval to continue work may be secured. Under no circumstances is an employee to work in an unsafe condition or environment.

M.2. Contractors working on University property must comply with the same guidelines listed above. In addition, contractors must secure approval from the APM prior to beginning work and must consult the APM when any question or potential problem arises.

N.3. Contractors must also provide an Asbestos free certification for all newly constructed facilities on campus.

Source of Authority: Vice President for Finance and Administration

Cross Reference: None

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Safety Director, Director of Environmental Health, Safety and Risk Management

Forms: None
At-Will Employment (E-66)

Original Implementation: July 15, 2003
Last Revision: April 22, 2008 January 27, 2009

The following non-classified, academic and non-academic employees serve at the discretion of the university and are considered at-will employees, whose employment may be terminated with or without cause at any time by the university or the employee.

- All positions reporting to the Board of Regents including but not limited to the President, General Counsel, Director of Audit Services, and Assistant to the Board of Regents.
- All Vice Presidents/Provost including Associate Vice Presidents/Associate Provost
- All Deans including Associate Deans
- All Directors
- All Department Heads and Chairs
- All Coaches
- All Charter School Teachers
- All Attorneys and Auditors
- All Temporary Staff Employees

Any appointment included in this list which is filled by a tenured employee will not affect the employee's tenure status. Tenured employees removed from administrative assignments under this policy may be reassigned to a faculty position.

The university may choose to reassign an at-will employee under this policy, but such reassignment is not guaranteed. Additionally, the university will endeavor to give a terminated employee under this policy a 30-day notice, although notice is not required.

Any decision to terminate an at-will employee must be reviewed by the general counsel and/or director of human resources for legal considerations. Termination of at-will employees below the vice president level must be approved by the appropriate vice president and reported to the president and board of regents. The Board of Regents must approve termination of at-will employees at the vice president level or above. All such employees will be given an opportunity to resign in lieu of at-will termination, unless the termination is clearly for cause. The terms of resignation must be approved by the same process outlined for termination above, including legal review by the general counsel and/or director of human resources.

In regards to this policy, and the employee's completion of the 180-day probationary period, there is no contradiction. The 180-day probationary period is the designated time frame for the new employee to demonstrate their capability to perform their job tasks in a
satisfactory manner. The completion of this evaluation period does not convey a permanent status to employees listed in this policy, and it does not negate the at-will status for either employee or employer.

Any agreements that in any way modify this policy must be made in writing and must contain the signature of the president, appropriate vice president, and the university Board of Regents.

Cross Reference: None

Responsible for Implementation: President

Contact For Revision: General Counsel

Forms: None
Best Value Procurement (C-7)

Original Implementation: January, 1988
Last Revision: January 30, 2007, January 27, 2009

PROCUREMENT PROCESSES

Stephen F. Austin State University makes purchases, not otherwise delegated through Policy C-10 Delegated Purchasing Authority, on a best value basis through any of the following processes. All procurement processes require Board of Regents approval as per Policy D-20.5 Items Requiring Board of Regents Approval. HUB Subcontracting Plan requirements apply in accordance with University Policy C-16.5 Historically Underutilized Businesses and state law.

A. All purchases completed with state funds must first consider making the purchase from Texas Industries for the Blind and Handicapped (TIBH) as mandated by Education Code 51.9335 to promote the purchase of goods or services from persons with disabilities.

B. Purchases $0 - $5000 are to be negotiated to achieve the best value for the university.

C. The university may purchase goods or services through competitive sealed bid procedures with the following minimum bidder requirements. A justification must be included in the order file if these minimums are not met.

1. $5000.01 - $24,999.99 – Minimum 3 informal bids required; minimum 50% HUB vendors including one woman-owned and one minority-owned

2. $25,000 and greater – Minimum 5 formal bids required; minimum 50% HUB vendors including one woman-owned and one minority-owned; Electronic State Business Daily posting required, unless Purchasing Procurement Services determines that no value is added by the posting.

In determining best value for Competitive Sealed Bids, the university shall consider best value factors identified in Education Code 51.9335.

D. The university may purchase goods or services through the competitive sealed proposal process outlined in the Purchasing Procurement Department RFP Manual and TBPC Contract Management Guide. All competitive sealed proposals shall include an appropriate number of solicitations to be determined by the Procurement Purchasing Department, including HUB vendors of any gender and ethnicity when identified as providing the good or service identified. Electronic State Business Daily
posting required, unless Procurement purchasing determines that no value is added by the posting.

E. The university may purchase goods or services through the Request For Offer process established in 1 Texas Administrative Code 34, Part 1, Rule 20.391 Government Code, Title 10, Chapter 2157 for the acquisition of automated information systems goods and services by the catalog purchase procedure. Use of this procedure requires the award be made to a Catalog Information Systems Vendor (CISV) as identified by the TBPC.

F. The university may purchase goods or services through group/cooperative purchasing programs without a solicitation process, when such purchase is deemed to represent the best value to the university.

G. The university may purchase goods or services through State of Texas Term Contracts, State of Texas Multiple Award Schedules, and DIR/Tex-An Contracts without a solicitation process, when such purchase is deemed to represent the best value to the university.

H. The university may purchase goods or services through reverse auctions.

I. The university may purchase goods or services through contracts awarded by other state agencies or institutions of higher education without a solicitation process contracts when such contracts are available and have followed approved purchasing processes, and such purchase is deemed to represent the best value to the university.

J. The university may purchase goods or services through contracts awarded by the Council on Competitive Government in accordance with Government Code 2162 without a solicitation process, when such contracts are available, and such purchase is deemed to represent the best value to the university.

JK. The university may purchase goods or services on an EMERGENCY basis. An emergency purchase is defined as the purchase of goods or services that are so badly needed that the agency will suffer financial or operational damage if they are not secured immediately. A procurement may be declared an emergency at the buyer's discretion in consultation with the end user and upon approval by the Director of Procurement purchasing. Declaration of an emergency supersedes all other best value procurement rules. The university will attempt to obtain bids, price comparisons or proposals when sufficient time exists by utilizing the most effective procurement process, including the Electronic State Business Daily, when value is added by using such processes.
EXEMPT PURCHASES

The following purchases are exempt from best value procurement processes. Submission of a purchase requisition and other rules may apply. Statements included below in quotes are considered to be a part of any Purchase Order issued for the good or service identified when the Purchase Order is identified as an Exempt purchase.

IV.1. Classified Advertising

IV.2. Hotels and Conference Rooms for conferences

IV.3. Conference Expenses; expenses related to conference room services such as audio/visual/network and food services. (does not include goods purchased for attendees or transportation services)

IV.4. Moving Expenses (employee) — See Policy C-21 Moving Expenses

IV.5. Student Travel; expenses related to student travel

IV.6. Library materials and services for Stephen F. Austin State University Libraries, in accordance with as defined by Gov’t Code 2155.139(a)(2), when such exemption represents the best value to the university. “Exempt library purchase in accordance with university policy”

IV.7. Membership fees and dues and associated fees

IV.8. Direct Publications only available from a single source as defined by Texas Procurement and Support Services (TPASS) in the TPASS Procurement Manual; i.e., Newspaper and magazine hard-copy or electronic subscriptions, books, videos, and software and software maintenance direct from the publisher. “Not available from any other source”

IV.9. Freight, including shipping, handling, fuel surcharge, hazardous material fee, postage, and other surcharges

IV.10. Intra-agency payments

IV.11. Rental of exhibit space; i.e., booths for display purposes

IV.12. Items for resale

IV.13. Internal Repairs — Repairs for which the extent and cost of such cannot be determined until the commodity is disassembled and evaluated. An internal repair must contain labor and may also include parts. “Accurate repair costs cannot be determined until equipment is disassembled”

IV.14. Purchases from Federal agencies

IV.15. Utilities, other than electricity for which SFA chose to opt into deregulation

IV.16. Organized Activity Purchases — Goods and services for the Early Childhood Lab, SFA Charter School, Cole Audiology Lab, Beef Farm, Poultry Farm, Broiler Houses, and Swine Farm when the purchase directly affects operations and such exemption represents the best value to the university.
“Exempt purchase for an organized activity related to an instructional department in accordance with university policy”

XX.17. Group Travel; expenses related to group travel when such group travel includes non-university persons and is funded by payment from individual travelers; i.e., Art Tour

XX.18. Gifts, Prizes and Award for students, employees and non-university individuals

XXII.19. Accreditation Fees

XXIII.20. Tournament Fees or Game Guarantees

XXIV.21. Licensing Fees or Permits

XXV.22. Employee Registration or Tuition

23. Sponsorships

24. Non travel related meals

25. Fees, not otherwise identified herein

26. Notary bonds

COMPETITIVE SEALED BID SUBMISSION, BID OPENING, AND TABULATION

Bid Submission

D.1. Prospective bidders may request specific bid invitations from the Procurement Department at any time prior to the bid opening;

E.2. A bidder may withdraw its bid by written request at any time prior to the bid opening date and hour;

F.3. A bid received after the time and date established by the bid invitation is a late bid and will not be considered;

G.4. A bid received which does not contain adequate bid identification information on the outside of the envelope will be opened to obtain such information and will then be processed as any other bid. If the incorrect information on the envelope causes the bid not to be considered in making an award, the bid will be considered invalid and rejected;

H.5. Bids may be submitted by telefacsimile (fax). The telephone number for fax bid submission will be identified in the solicitation; no other number may be used for bid submission. Bids submitted by fax need not be confirmed in writing, but must comply with all legal requirements applicable to formal bids. If all or any portion of a bid submitted by fax is received late, is illegible, or is otherwise rendered non-responsive due to equipment failure or operator error, the bid or the applicable portion of the bid will not be considered. The university shall not be
liable for equipment failure or operator error, nor will such failure or error require other bids to be rejected or the bid invitation to be re-advertised.

6. Bids may be submitted by email when specific instructions regarding email submission are included in the solicitation, or if approved by the Purchaser. Bids submitted by email need not be confirmed in writing, but must comply with all legal requirements applicable to formal bids. If all or any portion of a bid submitted by email is received late, is illegible, or is otherwise rendered non-responsive due to equipment failure, operator error or email quarantine, the bid or applicable portion of the bid will not be considered. The university shall not be liable for equipment failure, operator error, or emails directed to email quarantine, nor will such require other bids to be rejected or the bid invitation to be re-advertised. When email submission is allowed, all required signatures must appear on the emailed document via scan or image attachment.

7. An unsigned bid is not valid and will be disqualified;

8. A bidder or department may request, in person at the bid opening, that bids be read aloud. No bid shall be required to be read aloud at any time other than during regular working hours and days;

9. When formal bids are required, bids may not be taken or accepted by telephone;

10. If an error is discovered in a bid invitation, or agency departmental requirements change prior to the opening of a bid, the Purchasing-Procurement Department will transmit an addendum correcting or changing the specifications to all bidders originally listed on the transmission list for that bid invitation. Bids will not be rejected for failure to return the addendum with the bid, unless otherwise noted, if the receipt of the addendum is acknowledged on the face of the bid.

Bid Opening and Tabulation.

1. All bid openings conducted by the Purchasing-Procurement Department shall be open to the public.

2. Bid opening dates may be changed and bid openings rescheduled if bidders are properly notified in advance of the opening date.

3. If a bid opening is canceled, all bids which are being held for opening will be returned to the bidders.

4. All bid tabulation files are available for public inspection. Bid tabulations may be reviewed by any interested person during regular working hours at the offices of the Purchasing-Procurement Department, or a copy may be provided. Employees of the university are not required to give bid tabulation information by telephone.
Appendix 4

Cross References: Items Requiring Board of Regents Approval (D-20.5); Historically Underutilized Businesses (C-16.5); Delegated Purchasing Authority (C-10)

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Procurement and Property Services/Purchasing and Inventory/HUB Coordinator

Forms: Purchase Requisition, Purchase Voucher
Discipline and Discharge (E-11)

Original Implementation: December 6, 1983
Last Revision: January 19, 2006 January 27, 2009

This policy shall apply to all regular non-academic employees including both classified and non-classified staff. The non-renewal of non-academic employees with contracts, temporary employees, at-will employees, or dismissal during the probationary period shall not be covered by this policy. The probationary period of an employee shall be one hundred eighty (180) calendar days.

Supervisory efforts should be concentrated on preventing serious personnel problems rather than on disciplining employees for misconduct. However, supervisors shall have the right to discipline or summarily discharge an employee for cause. If disciplinary measures are to be imposed, it is essential that each problem be investigated so that the facts of the situation are known and that any action taken be primarily corrective rather than punitive. An employee being disciplined should be told what they have done wrong and should be clearly instructed on what is expected of them. Except in cases of discharge, the employee should be given a reasonable period of time to improve their performance or correct their actions or attitude. An employee may be discharged when reasonably corrective or rehabilitative methods have failed or when the serious nature of a violation or the accumulation of violations, warrants immediate separation.

Definitions of Minor Rule Violations

Rule violations of a minor nature may have little or no effect on the continuity, efficiency, and safety of university work, but will not be tolerated. The following are a few examples of minor rule violations, which may result in either oral or written warnings for entry into an employee's record. Continuation of an offense may result in stronger disciplinary action. This list is not all-inclusive.

1. Unauthorized, unexplained, or inexcusable absence or tardiness.
2. Failure to notify supervisor of absence at the earliest practical time.
3. Failure to observe assigned work schedules (starting time, quitting time, rest and meal periods).
4. Soliciting or collecting contributions for any purpose, or selling or offering for sale any goods or service, on university premises in violation of university policy.
5. Unsatisfactory work performance.
6. Loafing or other abuse of time during assigned working hours.
7. Interfering with any employee's work performance or duties by talking or by other distractions.
Appendix 4

8. Circulating or distributing written or printed matter on university premises in violation of the university policy on petitions and handbills.
9. Leaving regularly assigned work location without notifying immediate supervisor.
10. Performing unauthorized personal work on university time.
11. Defacing bulletin boards or notices posted thereon.
13. Failure to punch time card or record card as instructed.
14. Discourteous treatment of the public or of other employees.
15. Improper political activity of a minor nature.
16. Minor violation of internal department work rules.
17. Engaging in excessive visiting, personal conversations, or use of the telephone for personal use.
18. Failure to follow any reasonable instructions issued by supervisor related to performing job tasks and/or job duties.
19. Abusive or unruly conduct of a minor nature.

Definitions of Major Rule Violations

Major offenses are any act or omissions in violation of university policies or rules to such a degree that further employment of the offending individual may not be desirable for the university. The following are examples of some offenses which subject an employee to a written warning, suspension, or discharge. This list is not all-inclusive.

1. Any act which might endanger the safety or lives of others.
2. Refusal to perform work properly assigned by a supervisor.
3. Violation of university safety rules.
4. Falsifying any university records.
5. Punching the time card for another employee or allowing yours to be punched by another employee.
6. Leaving university premises during working hours without permission from the supervisor.
7. Abusing, destroying, damaging, or defacing university property, tools, equipment, or the property of others on university premises.
8. Gambling on university premises.
9. Delaying or restricting work, or inciting others to delay or restrict work.
10. Fighting on university premises.
11. Carrying firearms or other dangerous weapons on university premises.
12. Failure to return to work on expiration of vacation or leave of absence, or when called back after a layoff.
14. Theft, misappropriation or unauthorized use of university funds or property, or other dishonest actions.
15. Continued unsatisfactory work performance.
16. Unauthorized, unexplained, or inexcusable leave for more than three days.
17. Excessive absences or tardiness.
18. Physical, mental or emotional inability to perform the job satisfactorily.
19. Major violation of internal department work rules.
20. Insubordination.
21. Abusive and unruly conduct.
22. Indecent or obscene conduct.
23. Conviction of a felony or of a misdemeanor involving moral turpitude by a trial court.
24. Flagrant or repeated minor rule violations.
25. Sexual harassment of any person by an employee during working hours or on university premises.
27. Bringing or consuming any liquor, marijuana, or narcotics on university premises (this rule applies to any habit-forming or disabling substance not prescribed by a physician).
28. Reporting for duty under the influence of liquor, marijuana, or narcotics (applies to any habit-forming or disabling substance not prescribed by a physician).
29. Accepting any gifts or favors, which influence or tend to influence the performance of duties or the granting of service or favors to other university personnel, applicants, clients, or other persons.
30. Refusal to attend state and university mandated trainings within the appropriate timeframe including but not limited to EEO training and Performance Management Plan training.

Corrective Disciplinary Actions

For repeated but relatively minor incidents of substandard performance, misconduct, or rule violations, discipline should be progressive. The normal sequence of action is: (1) Oral Warning; (2) Written Reprimand; (3) Suspension; (4) Demotion; (5) Discharge. Depending on the severity of the case, the action may begin at any of these steps. Any action involving suspension, demotion, or discharge must have prior review from the director of human resources. Any corrective disciplinary action should be recorded on the Employee Counseling Form (available in Human Resources). The corrective action should include a section which documents specific, job related, and measurable actions identified to increase job knowledge, improve skills, or correct performance difficulties. Timetables shall be established for follow-ups and improvement or non-improvement will be documented on all Employee Counseling Forms.
1. **Oral Warning**: Normally, initial disciplinary action should be in the form of an oral discussion and warning, especially for minor rule violations. If it appears that an employee has failed to perform their work or conduct themselves according to job requirements, the supervisor should first talk to the employee about the matter and informally inquire further into the situation. If facts indicate that the employee may have been at fault, the supervisor should discuss the matter with them. The supervisor may call on another person (preferably another supervisor) to be present as a witness. The employee should clearly be instructed of the gravity of the action and should be told that the warning is disciplinary in nature. Supervisors should maintain a complete and accurate written notation of the warning on an "Employee Counseling Record" form.

2. **Written Reprimand**: Reprimand involves both a formal interview with the employee and an official memorandum emphasizing the negative effect of the employee's conduct or work performance on their record and opportunities for advancement. If the immediate supervisor does not have the authority to discharge the employee, then the interview should be conducted by the department official who does have discharge authority. A written reprimand should include: the names of everyone involved, dates, a description of the incident or unsatisfactory performance, witnesses (if any), and the action taken. Use the "Employee Counseling Record" for this purpose. Reference should also include the dates and results of prior oral warning(s), or other written reprimand(s). It should also bear the employee's comments, if any, and the employee's signature. The employee should be informed that their signature indicates they have received a copy of the reprimand, but not necessarily that they agree with its contents. If the employee refuses to sign the reprimand, a witness, preferably another supervisor, should verify that the employee has read the reprimand and refused to sign an acknowledgement. A copy of the reprimand should be sent to the director of human resources to be filed in the employee's permanent file.

3. **Suspension**: Suspension may be a disciplinary action or the interruption (without pay) of the active employment of an employee pending an investigation and decision by the director of human resources, and in unusual circumstances, the general counsel. Suspension for a period of longer than three (3) days must be approved by the appropriate vice president. To suspend an employee from the payroll, the supervisor should:
   1. present the employee with a completed "Employee Counseling Record" indicating suspension, the period of suspension, and the reasons for the suspension;
   2. forward a copy of the "Employee Counseling Record" attached to a completed "Personnel Action Request" form through Human Resources to Payroll Services. The "Personnel Action Request" form should be completed,
removing the employee from the payroll if the suspension is for any period of time that the employee is to be without pay

The supervisory official will conduct a conference with the employee at the beginning of the shift on the day the employee is to return to work. A discussion should occur with the employee recapping the reason for suspension, what is expected of the employee and the next step to be taken if improvement does not occur.

4. **Demotion**: The supervisory official with the authority to discharge an employee also has the authority to demote an employee. An employee who cannot or will not carry out efficiently and effectively the duties of the job for which they are hired or promoted, may be demoted to a job more commensurate with their abilities, skills, and experience or job performance. The immediate supervisor recommending demotion will first review the demotion with the director of human resources. The director of human resources will ensure that the employee has received proper counseling and an adequate trial period for improvement of performance prior to the approval of any recommendation for demotion. Demotion should be considered a last alternative in lieu of termination and may only be considered when a lower job assignment is available in the department in which the employee works.

5. **Discharge**: In cases other than serious offenses, discharge from employment should be used as a last resort. The supervisor who has authority to employ a person also has the authority to discharge a person. Prior to the action, the discharging supervisor must review the situation with his immediate superior, the director of human resources, and, in unusual circumstances, the general counsel. This review will assure that the case for dismissal has been objectively investigated and is both justified and properly documented. The appropriate vice president must approve each discharge. If the discharge is in order, an employee should be presented with a completed "Employee Counseling Record" indicating discharge, the reasons for the discharge, and the date of the discharge. Since discharge requires prior consultation and approval, it should not be done "on-the-spot". However, if the supervisor believes it is improper to leave the employee on duty until such approval can be obtained, the supervisor should immediately place the employee on suspension for a period not to exceed three (3) days. This action also allows time for any investigation which may be necessary.

6. **Other Actions**: In extremely serious cases involving unruly behavior, violence or imminent threat to personal safety or property, the supervisor and/or University Police Department may determine the need for immediate arrest or removal from University property of an employee. This action should be considered an immediate suspension and may warrant proceeding with the discharge process. Also, an interim suspension with pay may be used as a non-disciplinary action for situations that
warrant investigation while the employee does not return to duty. The director of human resources must approve an interim suspension with pay.

Alternative Disciplinary Actions

Other forms of disciplinary action may be appropriate in some cases. These may include making up lost time, docking, withholding salary increases, transfer to more suitable work, or compensating the university for damage. With the exception of making up lost time, these alternative disciplinary actions require the prior review of the director of human resources.

Involuntary Terminations Other Than Discharge

It is not the intent of this policy to prohibit, or in any way restrict, the university and its administrative officials from the right to terminate any employee for any non-disciplinary reason if it is in the best interest of the university to do so. An employee so terminated shall not have recourse through this policy or the Grievance and Appeals Procedure. Examples of termination for non-disciplinary reasons include, but are not limited to, terminations due to lack of work or funds (reduction in force), the redesigning of jobs, the termination of grant funding which eliminates positions, termination of a temporary position, and changes in the organizational structure in compliance with university policies and rules, i.e., retirement, nepotism, etc. Employees who are terminated for non-disciplinary reasons may appeal through the supervisory chain up to the vice president for the area involved only on grounds of constitutional violations or other legal rights which may have been abridged.

Source of Authority: U.S. Constitution, Amendments 5 and 14; Texas Constitution, Art. I, Sec. 19; President

Cross Reference: Non-Academic Employee Handbook; Performance Management Plan; U.S. Constitution, Amendments 5 and 14; Texas Constitution, Art. 1, Sec. 19

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Human Resources

Forms: Employee Counseling Report (available in Human Resources); Personnel Action Request, (available in University Human Resources)
Disposition of Abandoned Personal Property (D-9)

Original Implementation: October 18, 1988
Last Revision: January 19, 2006 January 27, 2009

Lost property means any unclaimed personal property coming into the possession of the university, other than motor vehicles, as defined in the Texas Transportation Code. Lost property shall be deemed abandoned if the rightful owner does not come forth and make a valid claim within ninety (90) days of the university's original possession.

Unless the abandoned property is being held as evidence to be used in a pending criminal case, the university may dispose of the abandoned property by public auction. The profits of the auction shall be used for student service activities as directed by the Office of the Dean of Student Affairs. However, if the rightful owner makes a valid claim to abandoned property before auction, then the university shall return the property to the rightful owner.

REPORTING OR CLAIMING ABANDONED PERSONAL PROPERTY

Any individual finding lost property on the university campus or seeking to claim lost property should follow the guidelines listed below.

1. A person finding lost or unclaimed property should turn in said property at the University Police Department or the Information Desk in the University Student Center. Lost or unclaimed property found in Steen Library should be turned in to the Circulation Desk on the first floor. Lost or unclaimed property found in academic buildings should be turned in to the appropriate departmental office. Lost or unclaimed bicycles or other bulky items are stored in the University Police Department.

2. A written "Record of Unclaimed Personal Property" form indicating the date the lost or unclaimed property came into the university's possession shall be completed and retained by the receiving department.

3. After fifteen (15) days, all unclaimed property held in the University Police Department, in Steen Library, or in other campus areas such as departmental offices, shall be transferred to the University Student Center Information Desk with the record indicating the date of receipt of the unclaimed property.

4. Lost items may be claimed at the Student Center Information Desk upon presentation of reasonable identification of the lost property.

5. A public auction is held annually under the direction of the Dean of Student Affairs at a time and place announced during each academic year.
Appendix 4

**Source of Authority:** Texas Education Code, Section 51.213, President, Vice President for University Affairs

**Cross Reference:** None Texas Education Code, Section 51.213

**Responsible for Implementation:** Vice President for University Affairs

**Contact for Revision:** General Counsel, Vice President for University Affairs, Dean of Student Affairs

**Forms:** Record of Unclaimed Personal Property (available in University Printing Services)
Emergencies (F-10)

Original Implementation: Unpublished
Last Revision: January 19, 2006 January 27, 2009

Any emergency situation or threat of violence should be reported immediately to UPD by calling 468-2608, or ext. 911 from any university phone, or by utilizing any Emergency Call Box located throughout the campus.

Each department within the university is responsible for maintaining current emergency notification information for each employee working in the department. This information should be updated at least annually or whenever an information change occurs.

Certain specified emergencies will be reported and/or investigated as outlined below.

Accidents/Injuries:
The UPD dispatcher answering the call will determine needed action. If an ambulance is needed, UPD will contact the ambulance service and provide proper directions for the campus location. UPD also will dispatch an officer to the scene. UPD shall notify the Director of Environmental Health, Safety, and Risk Management immediately when responding to a call involving an injury to a university employee. After investigation, if a report is warranted, the officer will file the report. A copy can be obtained on the next working day at UPD.

Armed Robbery:
If confronted with an armed robbery situation, a university employee should follow the instructions of the person committing the robbery and, as soon as it is safe to do so, report the situation to UPD.

Bomb Threats:
Any university employee receiving a threat should obtain as much information as possible and report to UPD immediately. Any decision to evacuate the area will be made by the appropriate vice president and the chief of UPD.

Death:
UPD will conduct an investigation, notify other necessary authorities, and notify the immediate family.

Elevator Rescue:
Any person trapped in an elevator should use the elevator's emergency telephone, which is a direct line to UPD. UPD will give instructions to the person by telephone, dispatch an officer to the elevator, rescue the trapped individual(s), lock the elevator to prevent further use, and place a service call for repairs.

Fire:
When a fire alarm is activated, either by an electronic device or by a telephone call to
UPD, a university police officer will be dispatched for inspection. The officer will determine if the alarm is false or indicates an actual fire. If a fire exists, the officer will call the Nacogdoches Fire Department and evacuate the area if, in the opinion of the officer, this is necessary. If the alarm was false, the officer will reset the alarm and report the incident to the Criminal Investigative Division of UPD.

**Theft:**
Upon receiving a theft report, a university police officer will begin an investigation of the alleged theft. If the investigation reveals enough evidence for a conviction, the Criminal Investigative Division of UPD will file the appropriate charges at the Nacogdoches County Courthouse.

**Source of Authority:** Vice President for University Affairs

**Cross Reference:** None

**Responsible for Implementation:** Vice President for University Affairs

**Contact For Revision:** Chief of University Police

**Forms:** None
Employee Training (E-64)

Original Implementation: January 28, 2003
Last Revision: January 19, 2006

It is the policy of the university to provide training and development opportunities to faculty and staff within the availability of funds and as authorized under the State Employees Training Act of 1969. Such training and development shall be aimed at the needs of the individual employee and the university. Training and development will be offered to improve personal and professional growth and to prepare the employee for assuming jobs of greater responsibility.

It is the goal of the university to promote professional and personal growth and learning opportunities that support life long learning and assist individuals in working effectively together within their departments and throughout the university community. Training and development will assist the university community in adapting to change, increasing productivity, and improving the quality of the work environment and the employees' relations with each other.

Employee Training and Development Programs: The State Employees Training Act of 1969 allows the university to use public funds for training and development programs related to either current or prospective duty assignments. The university has established regulations and guidelines for three areas of training and development. The three areas are:

1. In-Service Training Program: Training which is provided within the university to support the continued professional and personal growth of all employees in their work. Special training emphasis is made in the areas of service excellence, diversity, communication, and effective management. In-service training also includes on-the-job training, preparation for job assignment, and continuing training programs which are basically job oriented to equip an individual to properly perform assigned tasks, to develop additional work capabilities, or to increase the employees' level of competence.

2. Out-of-Agency Staff Development Program: Education or training authorized by the university for selected employees. May consist of workshops, seminars, institutes, training sessions, college courses (with or without academic credit) and other special programs or activities offered internally by departments of the university, or outside the university by another source within or outside the state of Texas.

If the training is paid for by the university, and during the training period the
employee does not perform their regular duties for three (3) months or more, the employee must work for the agency following the training for at least one (1) month for each of the training periods or repay the university for the cost of the training and salary (SB 223, 1999).

The university shall require the employee to agree in writing to comply with the above requirements before the training begins. The university's Board of Regents may waive the requirements prescribed above and release the employee from the obligation if such action is in the best interest of the university or is warranted because of an extreme personal hardship suffered by the employee.

3. Internship Training Program: The type of learning experience which can be obtained only through actual work experience.

The following individuals are authorized to approve participation in the training and development program:

1. In-Service Training Program: Immediate supervisor and/or department head
2. Out-of-Agency Staff Development Program: Immediate supervisor, department head, dean or director
3. Internship Training Program: Department head, dean or director, vice president, and president

Training Responsibilities:

Supervisors and Managers: Training is the responsibility of every supervisor and manager at all levels of management. Supervisors and managers are responsible for:

- providing employees on-the-job training in the proper performance of tasks,
- providing a climate in which training and development of employees is encouraged,
- integrating an employee's growth and development needs with the goals and objectives of the university.

University Human Resources Department: Human Resources will:

- establish, administer and coordinate training policies and programs to meet university training requirements as authorized under the State Employees Training Act of 1969 and the policy established herein,
- develop programs which support the university's mission and goals and the continued growth and education of the faculty and staff,
- review and approve training programs open to the university community,
- monitor training programs and provide consulting training assistance to departments as resources allow, particularly in regard to In-Service Training Programs,
• maintain university training records and files.

**Source of Authority:** Chapter 656 Texas Government Code; Vice President for Finance and Administration

**Cross Reference:** None

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** Director of Human Resources

**Forms:** None
Faculty/Staff Traffic Appeals (D-12)

Original Implementation: March 2, 1981
Last Revision: January 19, 2006 January 27, 2009

The purpose of this procedure is to insure due process of law to any faculty/staff member charged with a violation of the university's parking regulations.

Any faculty/staff member at Stephen F. Austin State University may appeal a parking citation within seven (7) working days of the issuance of the citation. With the exception of "Flagrant Violations" as described in the Parking and Traffic Regulations (Policy D-24), these appeals may be made by contacting UPD directly. The cited faculty/staff member should phone, mail, or email his/her explanation for receiving the citation. In the event that this initial appeal is denied or that the violation is more serious in nature, a more formal appeal process is set forth below. This process will involve submitting a formal application for appeal, which is obtained at the University Police Department, to the Faculty/Staff Traffic Appeals Board. On the application the faculty/staff member will select which of the listed hearing dates are compatible with his/her schedule.

Composition and Jurisdiction of Faculty/Staff Traffic Appeals Board.

Composition

1. The Faculty/Staff Traffic Appeals Board shall be composed of seven (7) faculty/staff members appointed by the president, in consultation with the vice president for academic affairs, the vice president for business affairs, finance and administration, the vice president for university affairs, and the faculty senate. The Student Traffic Appeals Board and the Faculty/Staff Traffic Appeals Board shall select one of its members to serve as an ex officio member on the other board with all privileges of membership except the right to vote and to hold office. The Faculty/Staff Traffic Appeals Board shall elect its chairperson.
2. The members of the Faculty/Staff Traffic Appeals Board shall serve three-year staggered terms.
3. Any member of the board who receives three (3) or more traffic (including parking) citations within any regular semester shall be disqualified as a member and replaced for the unexpired term. Vacancies will be filled with the appointment of a new member by the president.

Jurisdiction

The Faculty/Staff Traffic Appeals Board shall have original jurisdiction over all parking citations issued by the University Police Department.

Summoning Procedure

Notice
Within ten (10) days of the appeal application date, the chairperson of the Faculty/Staff Traffic Appeals Board shall inform the applicant in writing of the time and place of his/her hearing. The hearing will be within thirty (30) days of the appeal application date.

**Failure to Appear**

The failure of the appellant to appear at the time appointed for his/her hearing shall forfeit his/her right to a hearing and shall constitute a waiver of the rights granted by these procedures, unless the Faculty/Staff Traffic Appeals Board excuses the absence for good cause shown.

**Conduct of Hearing**

**Sessions**

The Faculty/Staff Traffic Appeals Board shall determine in September of each year the schedule of hearing dates for the fall and spring semesters and publish these dates on the appeals application form. The chairperson may cancel a hearing if, in his/her judgment, it is not required due to the lack of appeals brought to the board. Hearings will be scheduled by the chairperson as required during the summer.

The hearings shall be heard during regular business hours of the university. Where possible, they shall be scheduled by the chairperson at a time convenient to both the parties and the panel members. The university and its police department shall be parties in all appeals brought before the board.

**Appellant's Rights**

The appeals application form and the hearing notice from the Faculty/Staff Traffic Appeals Board shall, among other things, inform the faculty/staff member of his/her rights:

1. to be accompanied by one (1) representative;
2. to know the identity of the police officer who issued the citation;
3. to summon his/her own witnesses, produce evidence, and to speak in his/her own defense;
4. to cross-examine witnesses testifying against him/her;
5. to inspect and copy the record of the hearing at his/her cost.

**Rules of Procedure**

1. The board may hear appeals for parking citations for which an application to appeal has been filed in accordance with these rules.
2. Each citation shall be appealed separately.
3. Each appeal shall be heard and decided on its own merit.
4. The board may examine, cross-examine, call, recall, and dismiss any witness.
5. The board may limit the number of witnesses whose testimony will be repetitious and establish time limits for testimony so long as all viewpoints are given a reasonable opportunity to be expressed.

6. The board shall maintain an adequate record of each hearing. Summary notes shall be deemed an adequate record for this purpose.

7. The chief of the University Police Department, or his/her delegate, may represent the university in any hearing.

8. The board may enter into closed session for deliberation at the conclusion of the presentation of evidence.

9. The board's judgment must be rendered within three (3) working days of the hearing.

10. A member of the board must excuse himself/herself from any appeal in which he/she is involved, or in which a member of his/her family is involved.

Findings and Sanctions

Findings

The board shall decide only whether or not the defendant is guilty of the parking offense as charged in the citation.

Sanctions

The service charges for each offense are established by the Board of Regents and may not be reduced or eliminated by the Faculty/Staff Traffic Appeals Board if the individual is found guilty of the parking offense.

Source of Authority: President

Cross Reference: None

Responsible for Implementation: President

Contact For Revision: President

Forms: None
Family and Medical Leave (E-58)

Original Implementation: August 5, 1993
Last Revision: April 24, 2001; January 27, 2009

Employees are eligible to take up to twelve (12) weeks of family/medical leave within any 12 month period and be restored to the same or an equivalent position upon return from leave, provided that the employee has worked for the state of Texas for at least twelve (12) months and for at least 1,250 hours within the previous twelve (12) month period. Leave without pay may begin after all available applicable paid leave has been exhausted and will be included in the twelve (12) weeks of Family and Medical Leave Act (FMLA). Applicable Sick Leave Pool benefits and leave resulting from Workers' Compensation claims (See Workers Compensation Coverage Policy E-55 for more details) will be included in the twelve (12) week period. For purposes of the FMLA, a rolling twelve (12) month period will be measured backward from the date leave begins.

Reasons for Family/Medical Leave: Eligible faculty and staff may take family/medical leave for any of the following reasons:

1. The birth of a child and in order to care for such child;
2. The placement of a child with the employee for adoption or foster care;
3. To care for a spouse, son, daughter, or parent with a serious health condition; or,
4. Because of the employee's own serious health condition which renders the employee unable to perform the job functions essential to the employee's position.

Leave because of reasons (1) or (2) must be completed within the twelve (12) month period beginning on the date of birth or placement. An employee is allowed to use sick leave for the period of time that is certified by the physician to recover from childbirth. While an employee may take additional time off under FMLA (including annual leave, or leave without pay), the employee may not use sick leave for this additional time unless the employee or the infant is actually sick. In addition, spouses, employed by Stephen F. Austin State University who request leave because of reasons (1) or (2) or to care for an ill parent may only take a combined total of twelve (12) weeks during any twelve (12) month period.

Employees with less than 12 months of state service and/or less than 1,250 hours of work in the 12 months immediately preceding the start of leave are entitled to a parental leave of absence, not to exceed 12 weeks (480 hours), if the employee uses all available and appropriate paid vacation and sick leave while taking the parental leave. Such parental leave may only be taken for the birth of a natural child or the adoption or foster care placement with the employee of a child under three years of age. The leave period begins with the date of birth or the adoption or foster care placement.
Sick leave may be used in conjunction with FMLA leave when a child under the age of three is adopted regardless of whether the child is actually sick at the time of adoption. Furthermore, an employee, who is the father of a child, may use his sick leave in conjunction with the child’s birth only if the child is actually ill, or to care for his spouse while she is recovering from labor and delivery.

On November 17, 2008, the Department of Labor (DOL) published its final rule to implement the first-ever amendments to the Family and Medical Leave Act (FMLA), signed into law by President Bush in January 2008, which provide new military family leave entitlements and to update the regulations under the FMLA.

Military Caregiver Leave (also known as Covered Servicemember Leave): Under the military family leave entitlements, eligible employees who are family members of covered servicemembers will be able to take up to 26 workweeks of leave in a “single 12-month period” to care for a covered servicemember with a serious illness or injury incurred in the line of duty on active duty. This 26 workweek entitlement is a special provision that extends FMLA job-protected leave beyond the normal 12 weeks of FMLA leave. This provision also extends FMLA protection to additional family members (i.e., next of kin) beyond those who may take FMLA leave for other qualifying reasons.

Qualifying Exigency Leave: The second military leave entitlement helps families of members of the National Guard and Reserves manage their affairs while the member is on active duty in support of a contingency operation. This provision makes the normal 12 workweeks of FMLA job-protected leave available to eligible employees with a covered military member serving in the National Guard or Reserves to use for “any qualifying exigency” arising out of the fact that a covered military member is on active duty or called to active duty status in support of a contingency operation. The Department’s final rule defines qualifying exigency by referring to a number of broad categories for which employees can use FMLA leave:

1. Short-notice deployment;
2. Military events and related activities;
3. Childcare and school activities;
4. Financial and legal arrangements;
5. Counseling;
6. Rest and recuperation;
7. Post-deployment activities;
8. Additional activities not encompassed in the other categories, but agreed to by the employer and employee.

Notice of Leave: If the need for family/medical leave is foreseeable, the employee must give thirty (30) days prior written notice. If this is not possible, the employee must give notice within one to two working days of learning of the need for leave or as soon as practicable. Failure to provide such notice may be grounds for delay of leave. Where the need for leave is not foreseeable, the employee is expected to notify the supervisor and
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Human Resources within 1 to 2 working days of learning of the need for leave, except in extraordinary circumstances. Requests for Family/Medical Leave forms are available from Human Resources. Employees should use these forms when requesting leave.

Medical Certification: If an employee is requesting leave because of their own or a covered relation's serious health condition, the employee and the relevant health care provider must supply appropriate medical certification. Medical Certification Forms may be obtained from Human Resources. The form must be returned to the director of Human Resources within fifteen (15) days after the date leave is requested. Failure to provide requested medical certification in a timely manner may result in denial of leave until the certification is provided. The university, at its expense, may require an examination by a second health care provider designated by the university. If the second health care provider's opinion conflicts with the original medical certification, the university, at its expense, may require a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion. The university may require subsequent medical re-certification on a reasonable basis.

Reporting While On Leave: If an employee takes FMLA because of a personal serious health condition or to care for a covered relation, the employee must contact the supervisor at least once each week, or as often as requested by the supervisor, regarding the status of the condition and the intention to return to work. The supervisor is responsible for reporting this information to the director of Human Resources. Additionally, you are required to call Human Resources on the 1st and 3rd Monday of each month during your leave to report your leave and/or return to work status.

Leave Is Unpaid: Family/medical leave is unpaid leave after applicable vacation leave and sick leave have been exhausted. Employees may apply for sick leave from the Sick Leave Pool which, if approved, will be included within the FMLA period. Employees may be eligible for short or long-term disability payments and/or workers' compensation benefits under the provisions of those plans. This leave time will also be included in the twelve (12) week period of FMLA. The use of paid leave time does not extend the twelve (12) week leave period.

Medical and Other Benefits: During an approved family/medical leave, the university will maintain the state contribution for the employee's health benefits as if the employee continues to be actively employed. During periods of paid FMLA leave the university will deduct the employee's portion of the insurance premiums as a regular payroll deduction. If the employee's FMLA leave is unpaid, the employee portion of the premium must be paid by the employee through the benefits manager in Human Resources. The employee's insurance coverage will cease if the premium payment is more than thirty (30) days late. If the employee elects not to return to work at the end of the FMLA leave period, the employee will be required to reimburse the university for the cost of the premiums paid by the university for maintaining coverage during the leave, unless the employee cannot return to work because of a serious health condition or other circumstances beyond the employee's control. An employee on FMLA is not entitled to accrue state service credit for any full calendar months of leave without pay taken while
on FMLA and does not accrue vacation or sick leave for such months of leave without pay.

Intermittent And Reduced Schedule Leave: Leave because of a serious health condition may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced leave schedule (reducing the usual number of hours worked per work week or work day), if medically necessary. A reduced schedule is subject to availability depending on the business need of the department or the university. If leave is unpaid, the university will reduce the employee's salary based on the amount of time actually worked. In addition, while the employee is on an intermittent leave or reduced schedule, the university may temporarily transfer the employee to an alternative position which better accommodates recurring leave and which has equivalent pay and benefits.

Returning From Leave: If the employee takes leave because of a personal serious health condition, the employee is required to provide medical certification that the employee is fit to resume work. Return to Work Medical Certification Forms (Attachment C) may be obtained from Human Resources. Employees failing to provide the Return to Work Medical Certification Form will not be permitted to resume work until it is provided.

Extended Leave for Serious Health Conditions: Leave taken because of the employee's personal serious health condition may be extended on a month-to-month basis for a maximum of an additional twelve (12) weeks upon: (1) written request to the University; (2) proof that the serious health condition has continued; and, (3) approval by the University, subject to the department's business needs. If the employee does not return to work on the originally scheduled return date or request in advance an extension of the agreed-upon leave with appropriate documentation, the employee will be deemed to have voluntarily terminated employment with the University. If the employee requests an extension of leave beyond the initial twelve (12) week period, he/she must submit medical certification of continued serious health condition in advance for each month of extended leave. Reinstatement is not guaranteed on an extended leave and will depend on University needs. If the employee's cumulative leave for any reason extends beyond twenty-four (24) weeks in any two-year period, the employee automatically will be deemed terminated, but may be entitled to disability payments in accordance with the University's disability insurance and/or workers' compensation plans, if applicable.

Definitions: For the purpose of this policy, the following definitions apply.

Applicable Paid Leave - Sick leave and vacation accruals.

Spouse - Those recognized as spouses by the state of Texas.

Parent - Parent includes biological parents and individuals who acted as the employee's parents, but does not include parents-in-law.

Son or Daughter - Son or daughter, legally recognized, includes biological, adopted, foster children, stepchildren, and legal wards, who are under eighteen (18) years of age or
eighteen (18) years of age or older and incapable of self-care because of mental or physical disability.

Serious Health Condition - A serious health condition means any illness, injury, impairment, or physical or mental condition that involves: (1) any incapacity or treatment in connection with inpatient care; (2) an incapacity requiring absence of more than three calendar days and continuing treatment by a health care provider; or, (3) continuing treatment by a health care provider of a chronic or long-term condition that is incurable or will likely result in incapacity of more than three days if not treated.

Continuing Treatment - Continuing treatment means: (1) two or more treatments by a health care provider; (2) two or more treatments by a provider of health care services (i.e., physical therapist) on referral by or under orders of a health care provider; (3) at least one treatment by a health care provider which results in a regimen of continuing treatment under the supervision of the health care provider (i.e., a program of medication or therapy); or, (4) under the supervision of, although not actively treated by, a health care provider for a serious long-term or chronic condition or disability which cannot be cured (i.e., Alzheimer's or severe stroke).

Health Care Provider - Health care provider includes: licensed medical (MD) and osteopathic (OD) doctors, podiatrists, dentists, clinical psychologists, optometrists, chiropractors authorized to practice in the State, nurse practitioners and nurse-midwives authorized under state law, and Christian Science practitioners.

"Needed To Care For" - "Needed to care for" a family member encompasses: (1) physical and psychological care; and, (2) where the employee is needed to fill in for others providing care or to arrange for third party care of the family member.

"Unable to Perform the Functions of the Employee's Job" - The phrase "unable to perform the functions of the employee's job" means an employee is (1) unable to work at all; or, (2) unable to perform any of the essential functions of their position. The term "essential functions" is borrowed from the Americans with Disabilities Act (ADA) to mean "the fundamental job duties of the employment position," and does not include the marginal functions of the position.


Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Human Resources and General Counsel

Forms: Family/Medical Leave Request for Leave Form, Certification of Physician or Practitioner Form, Family/Medical Leave Return to Work Medical Certification Form
Gifts, Loans, Endowments, and Bequests (C-16)

Original Implementation: July 18, 1981
Last Revision: October 14, 2008, January 27, 2009

Authority to accept gifts, loans, endowments and bequests made to Stephen F. Austin State University is vested in the president of the university by the Board of Regents. Gifts, loans, endowments and bequests to any entity of the university should be reported through normal administrative channels.

The president of the university has been authorized to accept gifts under the following conditions:

1. A gift, loan, endowment or bequest which may require commitment of funds, personnel, space or other resources shall be approved by the president prior to any commitment of action on behalf of the university.

2. The university is authorized, with prior approval of the president and ratification by the Board of Regents, to accept gifts or devises of real property for the establishment of scholarships, professorships and other trusts for educational purposes provided such property will not require appropriations by the legislature for operation, maintenance, repair or construction of buildings.

3. Privacy of donor identity may be granted by the university with the exceptions noted by the Open Records Act or the Internal Revenue Service when public recognition is not desired by the donor.

The terms under which any loan, endowment or bequest is offered and accepted shall be provided in a written agreement between the donor and the university. The general counsel of the university shall review any bequests made to the university prior to acceptance by the president. All original deeds of trust, wills, endowments, original records, etc., should be forwarded to the Office of Development for safekeeping.

The Office of Development is the primary source of contact with people in the private sector for purposes of soliciting private funds. No individual or company may be solicited for any gift, loan, endowment, or bequest by any member of the faculty or staff of the university until that individual has presented the Office of Development with a copy of the proposal or request for funds.

Research grants or performance contracts which are privately funded are administered through the Office of Research Services, and are not under the provisions of this policy.

Solicitation of Gifts
The Office of Development is responsible for soliciting, coordinating, approving and reporting all gifts and fundraising efforts from the private sector. This includes both projects and proposals initiated by the Office of Development and those initiated elsewhere within the university and its related entities. To fulfill its mission, the Office of Development must be kept informed in a timely fashion on all actions related to fundraising.

1. All university departments, including faculty, staff, students, student organizations and the related 501(c)(3) entities are responsible for coordinating and clearing all fundraising projects funded by individuals, foundations and corporations before-the-fact in writing. All fundraising projects shall comply with SFA policies and procedures, as well as federal and state laws. Note: A Request for Endorsement to Cultivate/Solicit Funds from Private Source form is available at www.sfasu.edu/giving/forms.asp.

2. If any faculty member, staff member, student or student organization receives any unsolicited question from a prospective donor regarding a possible gift to the university or the Stephen F. Austin State University Foundation, Inc., the Office of Development should be notified of the inquiry as soon as possible following the initial contact.

Acknowledgment of Gifts

In order to insure accurate recording of all private support for the institution and to properly acknowledge private donors' gifts, the Office of Development will coordinate the acknowledgment of gifts.

a. All offices are responsible for forwarding any gifts received to the Office of Development for receipting and reporting purposes. This will ensure accurate recording of all private support for the institution, fulfill the receipting requirements of the Internal Revenue Service, and properly acknowledge that support. Further, all gifts and any accompanying correspondence, instructions, etc., are to be forwarded to the Office of Development for processing. Gifts-in-kind such as equipment, furniture and art objects are to be reported in writing to the Office of Development via the Gifts-in-kind form located at www.sfasu.edu/giving/docs/gift_in_kind.pdf.

b. Any written statement concerning tax deductibility of contributions must be reviewed and approved by the Office of Development.

Use of Gifts, Loans, Endowments and Bequests

Gifts, loans, endowments and bequests made to Stephen F. Austin State University shall be used for the purpose designated by the donor. If a purpose is not specified by the donor, and the amount of the gift is $100,000 or more, utilization shall be as directed by
the Board of Regents after consideration of recommendations by the president and the vice president for development. If a purpose is not designated, and the amount of the gift is less than $100,000, utilization shall be as directed and approved by the president of the university.

Gifts received by the university and made payable to the Stephen F. Austin State University Foundation, Incorporated, should be forwarded to the Office of Development for transfer and deposit to the foundation. No gifts or bequests to the university may be transferred to the Stephen F. Austin State University Foundation, Inc., the Stephen F. Austin State University Alumni Association, Inc., or the Stephen F. Austin Alumni Foundation, Inc. without petitioning a court of competent jurisdiction, as outlined under state law. Funds gifted to the university for a restricted purpose are considered a charitable trust. Legal title to such funds cannot be transferred to other entities, except as noted above.

Under the authority of the Board of Regents, the vice president for finance and administration of Stephen F. Austin State University is empowered to negotiate and execute the sale of marketable securities donated to the university when such sale is directed or allowed by the donor of said securities. The proceeds of such sale shall be promptly deposited into a university account, to be used as indicated by the donor. All in-kind gifts of $100,000 or more and all real estate gifts would require specific approval by the Board of Regents for liquidation to a university cash account.

Restrictions on the expenditure of gift funds generally reside within the following three criteria:

1. A gift must be expended in accordance with the donor's wishes.
2. The expenditure of the gift funds must be for the demonstrable good of the institution.
3. The expenditure must provide no private gain to either the donor or the person controlling the expenditure of the funds.

The use of gift funds must meet all three criteria collectively. Some specific examples of expenditures from unrestricted gifts that may be for the demonstrable good of the institution, without private gain for the individual expending the funds, are as follows:

1. awards that recognize or promote faculty development, excellence in teaching, academic achievement, athletic achievement, scholarship, or service;
2. costs related to the promotion of the communication of intellectual ideas among students, faculty, staff, and administrators of the university;
3. support of student events and activities sponsored by the university;
4. the recruitment of highly qualified students, faculty and staff;
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5. costs related to the promotion of the exchange of ideas with community leaders regarding the role of the university and its programs in the community;
6. costs related to the conduct of accrediting agency visits, visits by other officials from other institutions or representatives outside higher education;
7. costs related to the support of continuing education activities.

Examples of expenditures which may not meet the criteria established are as follows:

1. any expenditure that violates the restriction placed on the gift by the donor;
2. the procurement of private property for the personal, unofficial use of any faculty or staff member;
3. donations or other payments to a political party;
4. any other expenditure expressly prohibited by state statute.

Questions concerning an expenditure meeting these criteria should be referred to the Office of Development.

Real or personal property acquired through gifts, loans, endowments or bequests is subject to the same management requirements as other state property. Disposal of any property acquired through gifts, loans, endowments or bequests shall be handled in accordance with state law and applicable university policies and procedures. Property acquired through gifts, loans, endowment or bequest can not be disposed of, sold, or transferred without written permission from the Office of Development and the president.

Publicity

The Office of Development, in coordination with the faculty/staff contact person, the donor, and the Office of Public Affairs, is responsible for coordinating all publicity related to gifts.

Matching Gifts

Certain foundations and companies provide gifts to the university which match contributions made by their employees. For tax purposes, certification is required from the university that the gift of the employee has been received. The matching gift forms, which certify receipt of the gift, require the signature of the vice president for finance and administration or an Office of Development representative or the president.

Foundation Support
The Office of Development has the responsibility of performing certain support functions for the Stephen F. Austin State University Foundation, Inc. This includes receiving, receipting, acknowledging, and reporting gifts received by the foundation, as provided in the Agreement between Stephen F. Austin State University and the Stephen F. Austin State University Foundation, Inc.

Library

Unrestricted gifts of books and other library related materials to Stephen F. Austin State University, not to include equipment such as tape recorders, etc., will not require the usual approval process as authorized in this policy.

Definitions:

1. Gift. A gift includes the gratuitous transfer of cash, cash equivalents such as securities and negotiable instruments, and real or personal property which generates income or may be sold for cash, for the purpose of enhancing the university and its programs, without expectation of specific benefit by the donor.

2. Loan. Real or personal property furnished for the temporary use of the university.

3. Endowment. An endowment is comprised of a gift, in which the donors have stipulated that the principal must be invested and only the income used to fund a project or need. The principal remains intact in perpetuity, thereby continuing to generate income to be used by the university. Endowment funds are classified into four different categories:

   a. Permanent Endowments. These endowments are sometimes referred to as "true" or "pure" endowments and are assets designated by the donor to be held in perpetuity. If specifically stated in writing by the donor, the corpus assets of this category of endowments may never be spent and income derived must be expended in accordance with the written terms and conditions established by the donor and the university. Otherwise, the governing board may appropriate for expenditure, for the uses and purposes for which the fund is established, the net appreciation, realized and unrealized, in the fair market value of the assets of an endowment fund over the historic dollar value of the fund to the extent allowed under the University Management of Institutional Funds Act or other applicable law.

   b. Term Endowment. In this category of endowments, the donor has specified that following a particular date or event, the assets of the endowment may be expended in accordance with the terms and conditions as specified. Until the passage of the specific date or event, this type of endowment will operate in a manner similar to the permanent endowment with the income used in accordance with the written terms and conditions established by the donor and the university.
c. Quasi-Endowments or Quasi-Funds. The Board of Regents may, with formal action, set aside certain institutional funds to be maintained as endowments. The formal action by the Board of Regents will specify the use of the assets and income derived, and set other terms and conditions relating to the fund. The Board of Regents may, with formal action, change the terms and conditions of the endowment including cessation of the endowment and the return of the assets to the original source of funding, or change the use or purpose as may be appropriate and authorized by law.

d. Funds Held in Trust by Others. Some donors may choose to make income from endowment-type funds available to the university, but will leave the possession of the assets in trust with a third party. In this case, the endowment is not recorded as an asset of the university. In accordance with the Generally Accepted Accounting Principles (GAAP), the existence of the trust must be disclosed in the notes to the university’s financial statements.

A minimum gift of $20,000 shall be required to establish any endowment. An endowment can be initiated with an amount less than the stated minimum with the understanding that all future gifts and all income must become part of the endowment to assist in bringing the endowment assets to the $20,000 level, and if after five years from the date of the original gift, the value of the assets has not reached $20,000, the endowment may cease and the existing assets of the fund shall be transferred to a separately established Restricted Fund and expended consistent with the terms and conditions of the original gift. *Exceptions to the $20,000 minimum level may be made if a donor made contributions with the understanding that a prior minimum amount was required, contributions were made toward that minimum and the minimum is reached during the applicable five year period.*

Specific minimum endowment levels for academic positions are established as follows:

$1,000,000 - Endowed Chair or equivalent title, depending upon the area;

$250,000 - Endowed Distinguished Professorship or equivalent title, depending upon the area; and

$125,000 - Endowed Professorship or equivalent title, depending upon the area.

**Cross Reference:** Texas Education Code Chapters 101 & 95.34, Chapter 51, Subchapter A; Uniform Management of Institutional Funds Act, Texas Property Code, Chapter 163; Texas Public Funds Investment Act, Texas Government Code, Chapter 2256; Uniform Prudent Investor Act, Texas Property Code Chapter 117

**Responsible for Implementation:** Vice President for Development
Contact for Revision: Vice President for Development

Forms: Request for Endorsement to Cultivate/Solicit Funds from Private Source, Gift-in-Kind Form
Investments (C-41)

Original Implementation: April 30, 1996
Last Revision: January 29, 2008 January 27, 2009

Policy Statement

Stephen F. Austin State University invests the public funds in its custody with primary emphasis on the preservation and safety of the principal amount of the investment. Secondly, investments must be of sufficient liquidity to meet the day to day cash requirements of the university. Finally, the university invests to maximize yield within the two previously indicated standards. All investments within this policy conform to all applicable state statutes and local rules governing the investment of public funds. This policy is promulgated in accord with the Public Funds Investment Act (Government Code, Chapter 2256), related portions of the Texas Education Code, and the applicable portions of H. B. 2459, 74th Texas Legislature.

Scope

This policy establishes rules for the investment of all university and agency funds except endowment funds. Endowment funds are invested in accordance with separate policy approved by the board of regents and are the responsibility of fund managers selected by the board of regents.

Objectives

The foremost objective of all investment decisions shall be safety of principal. All investments must be undertaken with the fiduciary responsibility associated with that of a reasonable and prudent person. Investments must be in accord with Texas law. Investment maturity must be diversified to match the university’s liquidity requirements.

Investments shall incur no unreasonable risk in order to maximize potential income.

Investments shall remain sufficiently liquid to meet all reasonably anticipated operating requirements.

Investments may be diversified in order to respond to changing economic and/or market conditions.

No investments within the portfolio or investment practices conducted to effect investment activities shall violate the terms of this policy.
Authorized Investments

All university funds and funds held in trust for others may be invested only in the following securities:

A. obligations, including letters of credit, of the United States of America, or its agencies and instrumentalities;
B. direct obligations of the State of Texas or its agencies and instrumentalities;
C. collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States of America, the underlying security for which is guaranteed by an agency or instrumentality of the United States of America;
D. other obligations, the principal of and interest on, which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States of America or their agencies and instrumentalities;
E. obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less that A or its equivalent;
F. certificates of deposit issued and share certificates by a depository institution that has its main office or a branch office in Texas that is:
   1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
   2. secured by obligations that are described in Authorized Investments section A-E listed above, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the following nature:
      a. obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgaged-backed security collateral and pays no principal;
      b. obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
      c. collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
      d. collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.
   3. In addition to the authority to invest funds in certificates of deposit in Section (F), an investment in certificates of deposit made in accordance
with the following conditions is an authorized investment under Subchapter 2256.010:

a. the funds are invested by an investing entity through a depository institution that has its main office or a branch office in this state and that is selected by the investing entity.

b. the depository institution selected by the investing entity under Subsection (a) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever location, for the account of the investing entity;

c. the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States;

d. the depository institution selected by the investing entity under Subsection (a) acts as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity; and

e. at the same time that the funds are deposited and certificates of deposit are issued for the account of the investing entity, the depository institution selected by the investing entity under Subsection (a) receives an amount of deposits from customers of other federally insured depository institutions, wherever located, that is equal to or greater than the amount of the funds invested by the investing entity through the depository institution selected under Subsection (a)

G. fully collateralized repurchase agreements with a definite termination date, secured by obligations described by Authorized Investments section A-E, requiring the securities being purchased by the entity to be pledged to the entity, held in the entity's name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity; and placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state;

H. bankers acceptances having a stated maturity of 270 days or fewer from the date of issuance, to be liquidated in full at maturity, eligible for collateral for borrowing from a Federal Reserve bank, and accepted by a bank organized and existing under the laws of the United States of America or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency;

I. commercial paper that has a stated maturity of 270 days or fewer from the date of its issuance, and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized
Appendix 4

credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States of America or any state;

J. no-load money market mutual funds registered and regulated by the Securities and Exchange Commission, having a dollar-weighted average stated maturity of 90 days or fewer, and including in their investment objectives the maintenance of a stable net asset value of $1 for each share; and no-load mutual funds that conform to Section 2256.014 of the Government Code;

K. guaranteed investment contracts conforming to Section 2256.015 of the Government Code;

L. investment pools conforming to Section 2256.016 of the Government Code;

M. cash management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501(f), Internal Revenue Code of 1986 (26 U.S.C. Section 501(f));

N. negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency;

O. corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

P. assets and/or funds reportable within the scope of the university's annual financial report may not be invested in or used to purchase securities, including obligations, of a private corporation or other private business entity that owns 10% or more of a corporation or business entity which records or produces any song, lyrics or other musical work that explicitly describes, glamorizes or advocates

1. acts of criminal violence, including murder, assault, assault on police officers, sexual assault, and robbery;
2. necrophilia, bestiality, or pedophilia;
3. illegal use of controlled substance;
4. criminal street gang activity;
5. degradation or denigration of females; or
6. violence against a particular sex, race, ethnic group, sexual orientation, or religion.

Insurance or Collateral

All deposits and investments of university funds other than direct purchase of United States Treasury securities or United States Agency securities and in money market funds invested in U. S. Treasury or Agency securities shall be secured by a pledge of collateral.
with a market value equal to no less than 100% of the deposits or investments less any amount insured by the FDIC or FSLIC and pursuant to Article 2529d, the Public Funds Collateral Act. Evidence of the pledged collateral associated with bank demand accounts shall be maintained by the university controller. Evidence of the pledged collateral associated with investments shall be maintained by the director of financial services. Eligible repurchase agreements shall be documented by a specific agreement noting the collateral pledged in each agreement. Collateral shall be reviewed monthly by the controller and director of financial services to assure the market value of the securities pledged equals or exceeds the related bank and certificates of deposit balances.

Pledged collateral shall be maintained for safekeeping by a third party depository.

Collateral Defined

The university shall accept only the following securities as collateral:

A. FDIC and FSLIC insurance coverage;
B. United States Treasury, Agency, or Instrumentality securities;
C. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States of America;
D. Obligations of states, agencies thereof, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of no less than A or its equivalent.

Investment Strategy

All investments will be made in accordance with the university's investment policy. Investments may be diversified as needed to provide investment suitability to the university's financial requirements. The preservation and safety of principal is the first priority, however, it is recognized that unrealized losses will occur in a rising interest rate environment, just as unrealized gains will occur during periods of falling interest rates. Investments will be of the type to provide sufficient liquidity and marketability for any operating requirements. The investment portfolio may be diversified with authorized securities to accommodate changing market conditions. However, United States Treasury securities are preferable because of their low risk and high liquidity. An investment decision shall consider yield only after the requirements for principal preservation, liquidity, and marketability have been met.

Investments may be categorized and described as:
Appendix 4

A. Short Term - less than 90 days Funds needed to meet short term operating requirements normally will be invested in either the Texpool investment vehicle managed by the state treasurer or overnight sweep accounts established with banking institutions. The benchmark is the average three month Treasury Bill yield.

B. Intermediate Term - 90 days to one year United States Treasury and Agency securities, United States Agency Discount Notes are the primary investment vehicles. United States Treasury securities are preferable because of their low risk and the ease with which they are traded. The benchmark is 95 percent of the average one-year Treasury Bill yield.

C. Long Term - over one year United States Treasury and Agency securities are the primary investment vehicles. Normally, investments are laddered so that most principal is returned over a five year period in increments sufficient to meet anticipated operating and capital needs. The 30 Year Treasury Bond rate is the benchmark for long term funds.

D. Maturity - The length of time for investments within this policy will vary according to fund type and will be dependent on funding requirements. As a general rule, funds will be invested for the time periods indicated:

Current Unrestricted and Restricted Funds - 2 days to one year

Plant Funds - 3 months to 3 years

Delegation of Authority

The vice president for finance and administration (VPFA) of Stephen F. Austin State University is responsible for investment management decisions and activities. The VPFA delegates the day-to-day management of the investment activities to the associate vice president for budget and finance director of financial services.

The VPFA shall be ultimately responsible for all transactions undertaken and shall establish a system of controls (Appendix A) to regulate the activities of officials and staff involved in investment transactions.

The VPFA shall develop and maintain written administrative procedures and guidelines for the operation of the investment program which are consistent with and part of this Investment Policy (Appendix B).

The VPFA and associate vice president for budget and finance director of financial services shall be designated as the university's investment officers and are responsible for the duties outlined herein. The names and titles of the investment officers shall be filed
with the board of regents. Changes of names and/or titles must be filed with the board of
regents as they occur.

The maximum stated maturity date of any security may not exceed ten years, and the
weighted average duration of the portfolio shall not exceed five years without approval
by the VPFA and ratification by the board of regents. No officer or designee may engage
in an investment transaction except as provided under terms of this policy as approved by
the Stephen F. Austin State University Board of Regents.

**Prudence**

The "prudent person" standard will be used in the investment function and shall be
applied in the context of individual transactions as well as management of the overall
portfolio.

Accordingly, all investments shall be made with judgment and care, under circumstances
then prevailing, which persons of prudence, discretion, and intelligence exercise in the
management of their own affairs, not for speculation, but for investment, considering the
probable safety of their capital as well as the expected income to be derived.

**Internal Controls**

Stephen F. Austin State University has established a system of written internal controls
designed to prevent loss of public funds due to fraud, employee error, misrepresentation
by third parties, unanticipated market changes, or imprudent actions by employees of the
university. These controls are shown in Appendix A of this investment policy. These
controls are subject to the review of and recommendations from the university’s
Department of Audit Services’ office.

**Investment Authority**

The VPFA or associate vice president for budget and finance, and director of financial services
shall invest only those funds regulated by this policy and shall purchase only those
securities authorized by the Authorized Investments section of this policy.

**Authorized Financial Dealers and Institutions**

Investment transactions (bids and offers) will occur only between the university and
board authorized broker/dealers. A written copy of the investment policy shall be
presented to any person offering to engage in an investment transaction with Stephen F.
Austin State University. The qualified representative of the business organization
offering to engage in an investment transaction with Stephen F. Austin State University
shall execute a written instrument substantially to the effect that the business organization has (a) received and reviewed the investment policy of the university and (b) acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the university and the organization that are not authorized by Stephen F. Austin State University's investment policy.

Securities may not be bought from any organization whose representative has not provided the university with the acknowledgment required in the above paragraph.

**External Financial Advisor Contract Renewal or Extension**

Pursuant to Chapter 2256 of the Texas Government Code, a contract with an external investment manager may not exceed two years. A renewal or extension of the contract by the board must be made by order, ordinance, or resolution. Disclosure Requirements for Outside Financial Advisors External financial advisors and service providers shall comply with Texas Government Code Chapter 2263, Ethics and Disclosure Requirements for Outside Financial Advisors and Service providers.

**Disclosure Requirements for Investment Officers**

Pursuant to Texas Government Code Sec. 2256.005, an investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

1. the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;
2. funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
3. the investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

**Diversification**
Investments may be diversified to minimize the risk of loss resulting from unauthorized concentration of assets in a specific maturity, specific issuer, or specific class of securities. The diversification limits by security type and issuer shall be:

<table>
<thead>
<tr>
<th>Category</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. S. Treasury securities and securities having principal and interest guaranteed by the U. S. Government</td>
<td>100%</td>
</tr>
<tr>
<td>U. S. Government agencies, instrumentalities and government sponsored enterprises (excluding mortgage backed securities)</td>
<td>50%</td>
</tr>
<tr>
<td>Collateral mortgage backed securities</td>
<td>25%</td>
</tr>
<tr>
<td>Fully insured or collateralized certificates of deposit</td>
<td>100%</td>
</tr>
<tr>
<td>Bankers' acceptances</td>
<td>25%</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>25%</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>100%</td>
</tr>
<tr>
<td>Registered money market funds</td>
<td>80%</td>
</tr>
<tr>
<td>Local Government Investment Pool</td>
<td>100%</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>25%</td>
</tr>
</tbody>
</table>

The VPFA or associate vice president for budget and finance may diversify investment maturity. To the extent possible, investment maturity will be matched with anticipated cash flow requirements. Matching maturity and cash flow requirements will minimize occasions for sale of securities prior to maturity, thereby reducing market risk. However, no provision of this policy shall be interpreted as prohibiting the sale of any security prior to maturity, provided that it is in the university's financial interest to affect the sale. The weighted average maturity of the entire portfolio shall be maintained at no more than 10 years and shall be reported quarterly to the board of regents. Pooled fund groups eligible for university investment shall have a maximum weighted average maturity of 10 years.

**Safekeeping and Collateralization**

All securities transactions, including collateral for repurchase agreements, but excluding mutual funds and investment pools, must be settled on a delivery versus payment basis. Collateral for certificates of deposit shall be held by a third party custodian in the name of the university. The third party custodian shall be required to issue a safekeeping receipt to the university listing the specific instrument, rate, maturity, safekeeping receipt number, and other pertinent information. Any collateral safekeeping receipt shall be clearly marked on its face that the security is "pledged to Stephen F. Austin State University". Collateralization shall be required on certificates of deposit and repurchase agreements. The collateralization level shall be no less than 100% of the market value of the principal.
and interest due on these instruments. Collateral for certificates of deposit and repurchase agreements shall consist of any of the securities authorized for investment within this policy.

**Performance Evaluation**

The VPFA and associate vice president for budget and finance/rector of financial services shall submit quarterly reports to the board of regents through its finance/audit committee and the president of the university in the format prescribed by the Public Funds Investment Act, within a reasonable time after the end of the quarter. The reports must: (A) describe in detail the investment position of the university on the date of the report; (B) be prepared by the investment officer(s) of the university; (C) be signed by the investment officer(s) of the university; (D) contain a summary statement prepared in compliance with generally accepted accounting principles of each pooled fund group that states the: (1) beginning market value for the reporting period; (2) additions and changes to the market value during the period; (3) ending market value for the period; and (4) fully accrued interest for the reporting period; (E) state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested; (F) state the maturity date of each separately invested asset that has a maturity date; (G) state the account or fund or pooled group fund for which each individual investment was acquired; and (H) state the compliance of the investment portfolio of the University as it relates to the relevant provisions of the Public Funds Investment Act.

**Training**

The VPFA and associate vice president for budget and finance/rector of financial services are required by Section 2256.007(a) of the Government Code to attend at least one session of investment training not later than March 1, 1996, and, as appropriate, periodically thereafter.

**Audits**

In order to comply with the audit requirements of the Texas Public Funds Investment Act, the university’s Department of Audit Services shall conduct audits and reviews of the university’s investment function and report the findings to the appropriate oversight authorities.

**Investment Policy Adoption and Certification**

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Upon adoption by the Stephen F. Austin State University Board of Regents, the university’s investment policy shall be reviewed annually to ensure current applicability and significant modifications thereto submitted to the board of regents for approval.

**Cross Reference:** Texas Government Code Chapters 2256 and 2263

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** Vice President for Finance and Administration

**Forms:** None
APPENDIX A

INTERNAL CONTROLS

The university has prepared an investment policy as of April 12, 1996. The policy was approved by the board of regents April 30, 1996. The investment policy will be reviewed and/or updated no less than annually. All pledged securities shall be held by a third party custodian in the name of the university. A safekeeping receipt will be issued to the university listing the specific instrument, rate, maturity, safekeeping receipt number, and other relevant information. The signature of the president, VPFA, or associate vice president for budget and finance or director of financial services is required for release of pledged securities from safekeeping unless the securities being released are replaced by securities with the same market value. Only changes in the level of collateralization require approval by the above president, VPFA or director of financial services. The controller's office will reconcile the appropriate investment accounts to broker's statements and other supporting documents monthly. All purchases of securities from and deposits of funds to or withdrawals of funds from TexPpool require the signature of the VPFA, and either the associate vice president for budget and finance, budget director or the controller.

APPENDIX B

ADMINISTRATIVE PROCEDURES

The bursar's office will maintain a daily list of cash balances held in depository bank accounts. All investment transactions and related cash transfer requests, except for investment "rollovers" as defined, will be prepared by the director of financial services and will require an appropriate second signature. "Rollovers" are investment transactions whereby an investment of certain type held by an entity matures and the proceeds are then used to purchase an investment of the same type within the same account within the same entity. The controller's office will record investments in compliance with GASB and state comptroller's reporting requirements and reconcile the appropriate investment accounts to broker's statements and other supporting documents monthly. Quarterly investment reports are prepared by the associate vice president for budget and finance, director of financial services and approved by the vice president of finance and administration in accordance with the Performance Evaluation section of this investment policy. The market price of securities will be monitored quarterly using industry published data or appropriate financial publications.
Appendix 4

Investments - Endowment Funds (C-41.A)

Original Implementation: Unpublished
Last Revision: January 29, 2008-January 27, 2009

GENERAL

This Investment Policy Statement (IPS) applies to all Stephen F. Austin State University (the "university") endowment funds. These funds are given to the university by individuals and institutions to promote, encourage and advance education and to improve the degree and non-degree educational functions by establishing scholarships, fellowships, professorships, academic chairs and other academic endeavors at the university, as specified by donors.

As provided in the Texas Education Code, each member of the board of regents (board) has the legal responsibilities of a fiduciary in the management of funds under the control of the university. The board recognizes its responsibility to insure that the assets of the endowment funds are managed for the exclusive benefit of the university in accordance with its donors' intentions, effectively and prudently, in full compliance with all applicable laws.

Separate fund balance accounts are maintained for all funds. Funds may be restricted either by the donor or the board. Restricted funds are available primarily for specific purposes considered beneficial to the university.

The investment of the endowment funds is governed by Section 51.0031 of the Texas Education Code. This section states that the university "... with regard to donations, gifts and trusts may establish endowment funds that operate as trusts and are managed under prudent person standards. As used in this section, "prudent person standard" is the standard of care described in Article VII, Section 11b. of the Texas constitution, and means that standard of judgment and care that persons of ordinary prudence, discretion, and intelligence exercise in the management of their affairs in regard to the investments of their funds, considering probable income as well as probable safety of their capital.

In the management of the university endowment investments, consideration will be given to the need to balance a requirement for current income for present activities with a requirement for growth in principal to compensate for inflation. Consideration will be given to the need for safety of principal, liquidity, diversification, yield and quality.

The overall objective of the IPS is to assure that the university's endowment funds are invested in a manner to achieve as high a level of return as can reasonably be expected to be achieved given the primary objective of safety and preservation of principal. The IPS clearly and concisely states the responsibilities of all parties involved with the endowment funds. The IPS will assist the board, the finance/audit committee ("committee") and the university administration in effectively communicating with and monitoring the investment manager(s) and the investment firm(s) that will be engaged.
from time to time to facilitate the management of the endowment assets of the university. It states the boards' attitudes, guidelines and objectives in the investment of the endowment assets.

**RESPONSIBILITIES**

The university acknowledges that the ultimate responsibility for satisfactory investment results rests with the board. The board believes that this responsibility is best discharged by delegating certain authority to the university administration and by appointing one or more investment management organizations to assume certain responsibilities.

The specific responsibilities of the board in the investment process include and are limited to developing a sound and consistent investment policy, developing sound and consistent investment policy guidelines, establishing reasonable investment objectives, allocating the endowment assets between equity and fixed-income investments, and other investment mediums which it may deem appropriate and prudent, communicating clearly the major duties and responsibilities of those accountable for investing the endowment assets and achieving investment results, evaluating performance results, and abiding within all applicable laws, including conflict of interest provisions therein.

The vice president for finance and administration (vice president) and associate vice president for budget and finance/director of financial services are designated as the investment officers for the university. As such, the vice president or associate vice president for budget and finance/designee are responsible for accounting for investments, monitoring and evaluating performance results, and ensuring that policy guidelines are being adhered to and investment objectives are being met. In addition, the vice president or associate vice president for budget and finance is responsible for the purchase, sale, assignment, transfer and management of investments, for communicating with investment managers, brokers and dealers, for compiling performance results, and for determining the proper distribution of investment returns to the various accounts. The vice president or associate vice president for budget and finance is also responsible for determining the appropriate distribution of income in accordance with the distribution policy in the distribution policy section. The vice president, associate vice president for budget and finance, or designee will submit an annual investment perspective to the board of regents.

**INVESTMENT POLICY**

The board believes that the endowment assets should be managed in a way that reflects the application of sound investment principles.

The board adheres to the traditional capital market theory that maintains that over the long term, the risk of owning equities should be rewarded with a somewhat greater return than available from fixed-income investments. This reward comes at the expense of
higher volatility of returns and more exposure to market fluctuations than with fixed-income investments. Fixed-income investments provide a more predictable return and higher current income than do equities. Thus assets should be allocated between fixed-income investments, equities, and alternative investments in such a manner as to provide for current income while providing for maintenance of principal in real terms. Avoiding large risks is essential. The university is willing to trade off some potential opportunities for gain from high-risk investments (with high loss potential) by assuming a moderate-risk posture in order to have a more stable positive return. This may result in sacrificing some potential opportunities for gain during rising markets in order to avoid large short term declines in market value during falling markets. Since the university is adverse to large downward fluctuations in the value of its investments resulting from volatile market value fluctuations, such year-to-year volatility should be minimized.

INVESTMENT POLICY GUIDELINES

For the purpose of this policy all securities which use long-term credit ratings must be rated the equivalent of "A" or better by a nationally recognized credit rating service. Securities using short-term credit ratings must be rated at least A-2, P-2, F-2 or the equivalent by a nationally recognized credit rating service.

The following categories of securities are permissible investments:

a. Direct obligations of the United States government or its direct agencies.
b. Direct obligations of federally-sponsored agencies in accordance with the above paragraph.
c. United States dollar denominated bonds, debentures, or commercial paper and convertible securities issued by corporations in accordance with the above paragraph.
d. Common stock and preferred stock issued by United States domiciled corporations and common stocks of foreign companies listed on the major U.S. or foreign security exchanges.
e. Certificates of Deposit issued by federally insured state banks, federally insured savings and loan associations and saving banks or federally insured credit unions. Amounts over the insurance limit of the institutions must be secured by pledged securities.
f. Bankers acceptances accepted by a bank organized and existing under laws of the United States or any state in accordance with the above paragraph.
g. Money Market Mutual Funds. Funds must be registered with the Securities and Exchange Commission, have a maximum dollar weighted average maturity of no longer than 13 months, and be no-load funds. Funds must have assets consisting of securities described in the paragraphs above and seek to maintain a stable net asset value of $1.00 per share (or unit).
h. Direct Security Repurchase Agreements. Direct Repos must be fully secured (collateralized) by securities authorized under the sections (a) through (f) above. Such collateral must be held by a third party. All agreements will be in compliance with Federal Reserve Bank guidelines.

i. Shares of investment companies as defined by the Investment Company Act of 1940. These companies include both closed-end investment companies and open-end investment companies (mutual funds). Shares in these companies may be purchased if they own securities described in sections (a) through (h) above.

j. Shares of Exchange Traded Funds, known as ETFs, are permissible investments under this section.

k. Certain types of transactions and purchase of certain types of securities are specifically prohibited by this policy. Commodity trading including all futures contracts, purchasing of letter stock, short selling, option trading, and margin trading are specifically prohibited. Neither tax-exempt debt of state and local governments, private placements, nor guaranteed investment contracts may be purchased. No investments will be made in derivative products as defined by the Financial Accounting Standards Board in Statements of Financial Accounting Standards, No. 133. Collateralized mortgage obligations that do not pass the Federal Financial Institution’s Examination Council test may not be purchased.

l. Assets and/or funds reportable within the scope of the university’s annual financial report may not be invested in or used to purchase securities, including obligations, of a private corporation or other private business entity that owns 10% or more of a corporation or business entity which records or produces any song, lyrics or other musical work that explicitly describes, glamorizes or advocates: (1) acts of criminal violence, including murder, assault, assault on police officers, sexual assault, and robbery; (2) necrophilia, bestiality, or pedophilia; (3) illegal use of controlled substance; (4) criminal street gang activity; (5) degradation or denigration of females; or (6) violence against a particular sex, race, ethnic group, sexual orientation, or religion.

m. No more than six percent (6%) of the portfolio, including convertible securities, can be invested in any one company. This will be measured on a cost basis. No more than ten percent (10%) of the portfolio can be invested at any time in one company based on the market value of the stock and portfolio. This section is not applicable to investments in U.S. government securities.

n. No more than fifteen percent (15%) of the portfolio can be invested in any one industry sector, as defined by Standard and Poor’s broad categories, based on the cost value of the portfolio. No more than thirty percent (30%) of the portfolio can be invested in any one industry sector based on the market value of the portfolio. The holdings do not have to be invested in industry groups that represent a cross-section of the economy.
Permitted alternative investments in the portfolio may include hedge funds, managed futures funds, private equity funds, or real estate. Investments in other strategies shall be reviewed and recommended by the investment officer prior to purchase. Permitted alternative investments in the Portfolio are limited to diversified commingled trust fund vehicles or limited partnerships offered through a third party distribution channel, such as what is offered through many broker-dealer firms. Any investment vehicles where the portfolio’s liability can exceed the value of the portfolio’s investment are strictly prohibited. The portfolio shall emphasize investments in fund-of-fund vehicles that are diversified by investment style and typically utilize multiple investment managers within a fund. The portfolio, however, may invest in single manager funds, but these investments shall not comprise the majority of the investment. Permitted alternative investments in the portfolio are limited to investment vehicles that offer the ability for the portfolio to make contributions or receive distributions at least quarterly (but preferably monthly) without restriction or incurring additional fees. The maximum allocation to any one fund shall not exceed 25% of the total investment portfolio. If the allocation to alternative investments exceeds the limit at any point in time, the investment officer shall rebalance the allocation to the fund at the next opportunity when the fund permits liquidation of fund holdings.

All of the equities purchased for the portfolio (based at market value) should have a minimum market capitalization of $250 million. The allowable range and target asset allocation for the endowment funds is:

<table>
<thead>
<tr>
<th>Class</th>
<th>Allowable Range</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities securities</td>
<td>0% - 70%</td>
<td>55%</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>0% - 60%</td>
<td>35%</td>
</tr>
<tr>
<td>Cash or cash equivalents</td>
<td>0% - 100%</td>
<td>0%</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td>0% - 25%</td>
<td>10%</td>
</tr>
</tbody>
</table>

For the fixed income portion of the portfolio the asset mix should be, maximum U.S. government bonds 100%, minimum government bonds 0%, maximum corporate bonds 50%, minimum corporate bonds 0%, maximum cash 100%, minimum cash 0%. Gifts of individual securities will be liquidated or transferred to an equity fund manager currently employed by the university under the Use of Investment Firms section. The liquidation or transfer will take place as soon as possible. If liquidated, the proceeds will be invested in accordance with the allowable range and target asset allocation set forth in this policy. Exceptions to this policy are securities described by sections (a), (b) and (c) above. Such securities may be held so long as the asset allocation ranges are maintained. The policy in this section can be overridden by a written directive from a donor.

**USE OF INVESTMENT FIRMS**
Appendix 4

The vice president or designee, is responsible for the selection of brokers and dealers for the execution of security transactions and for the safe keeping of securities. Sales, purchases and exchanges will be transacted through well-capitalized, nationally-recognized investment firms which are major participants in the equity and fixed-income markets. Firms should be selected to provide the maximum benefit to the university. The vice president may choose to use a request for proposals to select the firm or firms with which the university deals.

Selection of outside investment managers will follow these guidelines:

a. The vice president or designee, within statutory and other regulatory authority, may place selected funds of the university with investment managers outside the university for investment purposes. The investment of such funds will be subject to the provisions of this investment policy statement. The vice president or designee is authorized to negotiate with outside investment managers for the benefit of the university.

b. Outside investment manager(s) will receive a copy of the IPS and a Letter of Instructions outlining investment instructions and asset allocation parameters expressed in writing by the vice president or designee. The Letter of Instructions will state return objectives that are reasonable and achievable within the guidelines provided herein. These return objectives should be achieved over a reasonable time frame, thus it is not necessary for the outside manager(s) to exceed the return expectations each quarter. In addition, each outside investment manager must execute a written statement to the effect that the registered principal of the organization has received and thoroughly reviewed the investment policy of the university. The statement must also acknowledge that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities.

c. Consistent with this investment policy statement and their Letter of Instruction, the outside investment manager(s) will be responsible for making decisions on a discretionary basis. This includes buy, hold, sell and timing decisions. The outside manager(s) must make responsible decisions in the selections of specific securities and the general timing of purchases and sales necessary to achieve a satisfactory overall return for the assets.

d. Outside manager(s) will invest only into the security class(es) for which they were retained to manage. The manager(s) have discretion to place funds into cash, however, their performance will be measured against an index which measures their security class without deducting the cash position.

The overall portfolio and the individual managers will be evaluated on a periodic basis using industry benchmarks.
The annualized Alpha should exceed both individual managers’ and total portfolio fees.
Alpha measures the excess return for the amount of risk taken. Portfolio turnover will be monitored. If the performance results of the portfolio meet the objectives stated herein, the rate of turnover in the portfolio will not be an evaluative factor. However, a portfolio turnover higher than the average of similar fund managers is considered a negative. Files will be maintained on investment firms with which the university deals. The files will contain information that supports the financial stability of the firms. These files will be updated annually. A list of approved brokers and firms will be maintained and changes will be approved by the board of regents.

**DISTRIBUTION POLICY**

The spending policy should balance the long-term objective of maintaining the purchasing power to the endowment funds with the goal of providing a reasonable, predictable, stable, and sustainable level of income to support current needs. At the end of the investment year, in consultation with the investment manager, the investment officer will review the total return on the endowment accounts and recommend an annual distribution. The target distribution will be between 4% and 5%. The investment officer will recommend an amount up to 5.00% of the average invested balance for the purposes delineated in the endowment memorandum of understanding. If returns permit, an amount equal to the rate of inflation will be added back to each endowment principal balance. If there are positive total returns beyond the inflation rate, then the investment officer will recommend that this amount be added to a contingency reserve that may be distributed during years of poor investment performance as determined by the officer. When the contingency reserve has reached a balance in excess of two years of normal distributions, the investment officer may recommend that additional distributions be made from the contingency reserve.

**PERFORMANCE EVALUATION**

The vice president will submit quarterly reports to the board on the performance of the investment portfolio. The reports will disclose the book value and market value of the portfolio at the beginning and ending of the reporting period by the type of asset and fund type invested. The reports will disclose the realized and unrealized gains/losses on the portfolio for the reporting period. Additions and changes in the market value of the portfolio during the period will be reported. The reports will show the pooled fund value as well as individual assets by fund type. The reports will state the maturity date of each asset that has a maturity date. The total return on the portfolio, on each asset class and for each manager will be reported.

The performance of the total portfolio, each asset class and each manager will be compared to appropriate benchmarks and included in the quarterly reports to the board.
The report will contain sufficient information for the board to determine if actions should be taken to correct any deficiencies that may exist.

CONFLICTS OF INTEREST

Members of the board are frequently persons of wide-ranging business interests. Therefore, a prudent, independent investment decision process may result in investments in firms or organizations with which a member of the board is affiliated. Affiliation shall be interpreted within this section to mean an employee, officer, director, or owner of five percent or more of the voting stock of a firm or organization. The investment staff or an unaffiliated investment manager may invest in such securities. However, the following restrictions shall apply:

a. a member of the Board shall not direct nor participate in the decision to purchase or sell securities of a firm with which such member is affiliated; and

b. investments will not be purchased from or sold to a member of the Board.

DISCLOSURE REQUIREMENTS

Disclosure Requirements for Outside Financial Advisors

External financial advisors and service providers shall comply with Texas Government Code Chapter 2263, Ethics and Disclosure Requirements for Outside Financial Advisors and Service providers.

Disclosure Requirements for Investment Officers

Pursuant to Texas Government Code Sec. 2256.005, an investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

1. the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;
2. funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
3. the investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

AUDITS

The Department of Audit Services of the university shall include endowment assets as a component of its annual audit risk assessment. If the department determines that the endowment assets meet its risk assessment criteria, audit services may perform an annual audit of the endowment assets to ensure compliance with the endowment investment policy.

Cross Reference: Texas Education Code, Section 51.0031; Texas Government Code Sec. 2256.005; Texas Government Code 2263

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Vice President for Finance and Administration

Forms: None
Appendix 4

Nepotism (E-33)

Original Implementation: Unpublished  
Last Revision: January 19, 2006  January 27, 2009

Relatives of a person within the second degree of affinity include the spouse of the person and the parents, children, brothers, sisters, grandchildren, nephews, nieces, uncles, aunts, and first cousins of the employee's spouse.

The relatives of a person within the third degree of consanguinity include the parents, children, brothers and sisters, grandparents, uncles and aunts, first cousins, nephews and nieces, grandchildren, great-grandchildren, and great-grandfathers, great-grandmothers, great-uncles, great-aunts' children, second cousins, first cousins, children, and grand nephews and nieces of the person.

A university officer or employee may not hire, appoint, or confirm the appointment of a candidate for a university position of employment, if the candidate is related to the university officer or employee within the second degree of affinity or within the third degree of consanguinity. However, an exception to this rule will be made in cases where the candidate for the position has been continuously employed in the position for a period of one year prior to the hiring or appointment of the related university officer or employee who has the power to hire, appoint or confirm the appointment of a candidate for the position of employment.

No person related to a member of the Board of Regents of the university within the second degree of affinity or the third degree of consanguinity may be employed for any position with the university. However, an exception to this rule will be made in cases where the candidate for the position has been continuously employed in the position for a period of one year prior to the appointment of the related regent. When a person is allowed to continue in an office, position, clerkship, employment, or duty because of the operation of the exceptions contained in the two foregoing provisions, then the judge, legislator, officer, or member of the governing body who is related to such person in the prohibited degree shall not participate in the deliberation or voting upon the appointment, reappointment, employment, confirmation, reemployment, change in status, compensation, or dismissal of such person, if such action applies only to such person and is not taken with respect to a bona fide class or category of employees.

These rules concerning nepotism apply to officers, administrators, faculty and non-faculty employees, and students of the university, whether employed full or part-time.

Source of Authority: Government Code, Chapter 57; President; Vice President For Finance and Administration.

Cross Reference: Texas Government Code, Chapter 573; Non-Academic Employee Handbook
Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Human Resources and General Counsel

Forms: None
Property Inventory and Management (C-42)

Original Implementation: September 28, 1996
Last Revision: July 15, 2008/January 27, 2009

Stephen F. Austin State University will comply with the State Property Accounting (SPA) Policies and Procedures, and SPA practitioner's standards. 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.

Stephen F. Austin State University shall be identified by SPA as an internal reporting agency.

Centralized property management and control is performed by the Purchasing & Inventory Procurement and Property Services Department. Property responsibility is delegated by the president of the university through the director of Purchasing & Inventory Procurement and Property Services to two property managers.

All references to financial responsibility are inherently understood to apply when employee negligence is involved.

PROPERTY RESPONSIBILITY AND ACCOUNTABILITY

Director of Purchasing & Inventory Procurement and Property Services and Property Managers - The director of Purchasing & Inventory Procurement and Property Services and two property managers are responsible for the overall management of university property, maintenance and control of centralized property records, and disposition of surplus and salvage property.

Department Head - The chair or administrative head of a department is designated "property manager" for the department. The department head may not delegate this responsibility. The department head may be held financially responsible for any property listed on his/her department property records.

Designee - The department head may name up to two designees to receive and submit property communications on his/her behalf. The designee(s) do not assume property responsibility or accountability in lieu of the department head. The designee(s) may not sign property documents on behalf of the department head.

Responsible Party - The responsible party is that employee who is entrusted with the care and safekeeping of specific pieces of property. The responsible party may be held
financially responsible for any university property assigned to him/her. If the department head, or his/her designee, fail to assign property to a responsible party, the department head shall be listed as the responsible party.

All University Employees - All employees will receive the Property Liability Acknowledgement Policy advising that he/she may be entrusted with university property. The Property Liability Acknowledgement (See Property Liability Policy B-34) 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.

PROPERTY DEFINITIONS

Property is defined and will be added to property records in accordance with State Property Accounting (SPA) rules and guidelines. The property managers, in conjunction with the director of purchasing, may determine additional equipment to be tracked in property records. All property definitions are stated in the Property Management Manual.

Property definitions include purchased or donated property. The department is responsible to notify the property manager of any donations to determine if the property must be added to property records.

PROPERTY VALIDATION

Each department head and responsible party is to exercise care and control over the property for which he/she is responsible. Property should be monitored on a perpetual basis. Various procedures for property validation include, but are not limited to, the following:

Annual Property Inventory Audit

Once per year an Annual Property Inventory Audit will be conducted one of two ways:

1. PHYSICAL COUNT: During the Annual Property Inventory Audit each department head is responsible to assign two individuals (the department head may be one of the two) to physically count and verify by tag number and room location all items on the official property report for the department. Each piece of property listed on the official property report must be visually viewed, and the official property report checked, marked, or otherwise noted confirming existence of the property, its location and the responsible party. Property not located must be documented with an explanation as to the last known information regarding its location. A-Missing or Stolen Property Reports form may be required.
The Property Inventory must be completed and the official property report and certification returned to the property manager by the deadline stated in the Annual Property Inventory instructions.

2. **RFID SCAN:** The department head is responsible to assign one individual (the department head may be this individual) to identify and open doors, cabinets, storage areas, etc. for property to be scanned by property staff. If available and at the property manager's discretion, scanners may be checked out to departments to complete scanning. After scanning is complete, the property managers will produce exception reports will be generated and forwarded to the department head and designee for resolution. Missing or Stolen Reports may be required. After all exceptions have been resolved an updated property list will be forwarded to the department head and designee for review and updating of responsible party names and property condition, and approval by signature and return of the Approval of Annual Property Inventory form.

**Annual Property Inventory Deadlines**

Departments failing to complete the Annual Property Inventory and return the official property report and certification or respond to exceptions and return the Approval of Annual Property Inventory to the property manager by 5:00pm on the deadline date will be given a 2nd deadline and will have all ordering, including P-Cards, shut down until the official property report and certification are received in the property manager's office. Reports in campus mail will not be considered received.

Failure to submit the official property report and certification to the property manager by 5:00pm of the 2nd deadline will result in department information, including, but not limited to, department name, department head and property values being reported to the Board of Regents at the next regularly scheduled meeting. Reports in campus mail will not be considered received.

**Computer Inventory**

In addition to the Annual Property Inventory Audit, 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.

**Spot-Check Audit**

Property spot-check audits will be conducted by property personnel in a routine fashion to allow independent verification. Spot-check audits will not be performed during annual property inventory.
Monthly Transaction Statements

Transaction statements listing all additions and deletions to each department's property records will be provided monthly to the department head and his/her designee(s).
Adjustment Of Property Records

The following property information must be updated throughout the year as changes occur. Procedures for making these changes are outlined in the Property Management Manual.

34.1. Department Head - 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.

32.2. Responsible Party - procedures apply upon transfer or termination of any employee listed as a responsible party on department property records; information regarding the change must be completed within 30 days of the transfer or termination.

USE OF STATE PROPERTY

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.

Removal Of Property From Campus

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 in accordance with procedures outlined in the Property Management Manual.

Property may be taken off-campus for a specific period of time, in which case property will be verified for return on the specified date.

Property may be taken off-campus for an indefinite period of time, in which case the Removal of Property from Campus form must be completed annually. Annual verification of the property will be included in the Annual Property Inventory Audit.

Loaning Property To Another Agency

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
Effective October 19, 2006 mandatory training will be required for all department heads, designees, and responsible parties. No prior training will be considered in lieu of this requirement. After initial training, refresher updates will be required every 2 years. The property managers will accommodate special needs and special training times as needed or desired.

**SALVAGE AND SURPLUS PROPERTY**

**Salvage Property**

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. 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.

**Surplus Property**

Surplus property is any personal property that is in excess of the needs of the department and which is not required for its foreseeable future. Surplus property may be new or used but must have additional useful life. Surplus property may be deleted from department property records as follows, with detailed procedures described in the Property Management Manual:

7.1. *Trade-In toward the purchase of new property* - trade-ins must be included in solicitations and/or negotiations prior to issuing a purchase order or contract, not added after completion of the purchase process.

8.2. *Transferring Property to another Department* - property may be transferred from one department to another by completing a Property Transfer Form (PTF). Procedures for completion and routing are in the Property Management Manual.

9.3. *Transferring property to Surplus* - property may be transferred to surplus by completing a Property Transfer form (PTF). Procedures for completion and routing are in the Property Management Manual. Property transferred to surplus is available, without cost, for transfer to any department in need of such property. Availability is on a first-come, first-served basis.

**PROPERTY DISPOSAL**
University property is to be disposed of as allowed and 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 SPA rules and guidelines and best meets the needs of the university.

MISSING OR STOLEN PROPERTY

Missing Property

Missing property is any personal property that has disappeared with no explanation, the loss of which must be reported IMMEDIATELY to the property manager.

A Missing or Stolen Property Report must be completed within 24 hours of reporting the missing property. As part of the report the department head must make a determination of negligence on the part of the responsible party. Failure to report missing property to the property manager IMMEDIATELY may result in a determination of negligence.

Any appropriations withheld from the university due to exceeding the allowed value threshold of missing property will be deducted from the budget of the department responsible for the property. The value threshold is based on the FY 02-03 Appropriations Bill, section 9.03.

Stolen Property

Stolen Property is any personal property that has disappeared by known theft, whether by forced removal, burglary, theft by employee, or other criminal act. Stolen property must be reported IMMEDIATELY to the property manager in conjunction with IMMEDIATELY filing a stolen report with the University Police Department.

A Missing or Stolen Property Report must be completed within 24 hours of reporting the stolen property. As part of the report the department head must make a determination of negligence on the part of the responsible party. Failure to report stolen property to the property manager and/or UPD IMMEDIATELY may result in a determination of negligence.

EMPLOYEE NEGLIGENCE

The president, director of Procurement and Inventory, property managers, department head, or responsible party will be financially responsible for damaged, destroyed, missing or stolen property if negligence is determined.
Negligence is defined as:

6.1. failure to exercise reasonable care and safekeeping for university property, resulting in its disappearance or theft;
6.2. failure to exercise reasonable care to maintain and service property, resulting in deterioration of the property;
6.3. evidence that property has been damaged or destroyed as a result of an intentional wrongful act or a negligent act.

When the property manager has reasonable cause to believe that any university property has been lost, stolen, damaged, or destroyed through the negligence of an employee, an investigation will be conducted by the property manager. If the investigation confirms negligence, the following individuals/offices will be notified:

- SFA Audit Services
- State Attorney General
- Vice President for the Division
- Vice President for Finance and Administration
- Director of Purchasing/Procurement
- Director of ITS (computers only)

While the loss is pending with the AG’s office, SFA will determine the value of the property and give the negligent employee(s) an opportunity to provide a Replacement or Reimbursement to the university. The Attorney General’s Office may accept the action taken in the previous step and close the case or investigate and make a final determination of negligence – which may be greater or less than that determined by SFA. If the negligent employee(s) do not provide a Replacement or Reimbursement to the university, and negligence is determined, OR if the State Attorney General determines a greater negligence, the State Attorney General will make a written demand for reimbursement to the State.

The property manager in consultation with the department head will determine whether replacement of property or reimbursement of funds best meets the needs of the university. The property manager will determine the value of the loss to the university by considering two factors:

**Value of the Property** – the value of the property may be considered using any or all of the following information:

- Fully depreciated value of $0
- Fair market value
• Original purchase value

**Value to SFA** – even though property may have been fully depreciated, its value to the university may be considered to the extent it was used on a regular basis. This value may be determined in consultation with department representatives and Internal Audit Services.

**REPLACEMENT** – If replacement is elected, the employee(s) must purchase property that is equal to or better in specification than the missing or stolen property. The department head or designee must confirm in writing that the replacement property is in the possession of the university and that it is equal or better than the original property. A copy of the specifications should be submitted along with the confirmation. Upon receipt of the confirmation and specifications, the property manager will prepare a tag to be affixed to the replacement property.

**REIMBURSEMENT** – If reimbursement is elected, the employee(s) must submit to the property manager payment for the property, or a copy of the deposit receipt documenting the reimbursement to the university. The property manager will file the deposit receipt with documentation supporting the reimbursement.

The department may elect to purchase replacement property that exceeds the specifications of the old. If this is preferred, pricing for specifications equivalent to the lost property should be determined, and submitted to the property manager along with a copy of the deposit receipt documenting the reimbursement by the employee(s). The department can then complete their procurement following standard procedures.

**Cross Reference:** Texas Government Code, Chapters 403.271(a) through 403.278; 2054.003(3)(A), 2175, and 2203.004; Property Liability Policy B-34

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** Director of Purchasing and Inventory Services/HUB Coordinator

**Forms:** Annual Property Inventory Audit Certification (provided with Annual Property Inventory Packet), Change In Department Head (ITS Forms Server), Missing, Damaged or Stolen Property Report (ITS Forms Server), Police Report (available from University Police Department), Property Transfer Form (ITS Forms Server), Removal of Property from Campus Request (available on the ITS Forms Server), Salvage Property Request (ITS Forms Server)
Appendix 4

Purchases From Employees (C-27)

Original Implementation: Unpublished
Last Revision: April 22, 2008 January 27, 2009

Purchases (including p-card, requisition, purchase order and purchase voucher) from an SFA officer, employee or any person or entity with which the officer or employee has a Family, Financial or Personal Relationship is prohibited unless conflict of interest is disclosed and avoided as provided herein.

To disclose and avoid conflict of interest the SFA employee:

1. will "not participate" in and have no involvement in the procurement decision making process and must not communicate with anyone about the procurement decision; to “not participate” includes, but is not limited to, not processing electronic documents as noted in item 2 below as well as not being involved in any request, selection, evaluation or justification process;

2. will not enter a requisition, approve a requisition, enter a purchase order, approve a purchase order or receive a purchase order in the university’s financial system when such requisition or purchase order is being requested or ordered from an SFA officer, employee or any person or entity with which they have a Family, Financial or Personal Relationship;

3. will annually file a Disclosure of Substantial Interest form identifying any person or entity with which the employee has a Family Relationship, Financial Relationship or Personal Relationship that might give rise to a conflict of interest situation. The information provided in the annual disclosure will be used only to ensure that conflicts of interest are avoided and the procedures herein are followed. The annual disclosure will be considered confidential information and will be released only to those individuals involved in purchasing decisions; i.e., procurement, accounts payable, department heads, vice presidents, president, general counsel, etc. See Purchasing Ethics and Confidentiality Policy C-33.

Family Relationship – means:

- employee’s spouse/partner
- employee’s children, grandchildren, parents, grandparents, brothers and sisters (including half brothers and sisters)
- the spouses of any of the persons listed in the above bullet
- the spouse’s/partner’s parents, brothers, sisters and children

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Appendix 4

- any firm in which any of the above persons is a partner or sole proprietor, or any corporation in which any of those persons holds 5% or more stock either directly or indirectly, or any other individual living in the same household.

Financial Relationship – means

a partnership or other commercial relationship involving a joint venture between the employee and another person or entity. Examples are: research grants, consultancies, honoraria and travel, self-managed equity interest in a company, employment of an immediate family member in a company and/or other benefits or substantial gifts from a company.

Personal Relationship – means a

relationship with a person or entity sufficiently close that a reasonable person would believe that it would be difficult for the SFA employee to deal with the person as he or she would deal with a stranger.

To avoid conflict of interest, Procurement Services will process purchases as follows:

1. The purchase of COMMODITIES from any SFA officer, employee, or any person or entity with which they have a Family, Financial or Personal Relationship is prohibited unless the price is equal to or less than that which can be obtained from any other known and ethical source, regardless of the dollar amount.

2. The purchase of SERVICES from any person or entity with which an SFA officer or employee has a Family, Financial or Personal Relationship of the state of Texas or any of its agencies is prohibited unless the price is equal to or less than that which can be obtained from any other known and ethical source, regardless of the dollar amount. Possible conflicts of interest are to be avoided whenever possible.

3. Solicitation documentation showing pricing from a minimum of two other sources is required on any Procurement Card purchase, Purchase Order, or voucher submitted for payment to an employee of the state of Texas or any of its agencies. A sole source proprietary purchase from an employee may be acceptable, but only with a completed and signed Sole Source/Product Justification and approval from the Director of Purchasing and Property Services.
Appendix 4

34. Contracting for SERVICES with an SFA officer or university employee is prohibited unless approved by the Director of Procurement and Property Services in consultation with General Counsel. Otherwise, a request to purchase SERVICES from any officer or employee of Stephen F. Austin State University must be initiated by submitting an additional compensation form to human resources. The request will not be considered unless the service being performed is significantly different from the employee's regular duties. See Policy E-9, Compensation in Excess of Base Salary Policy E-9.

45. Contracting for PROFESSIONAL OR CONSULTING SERVICES requires additional disclosures to avoid conflict of interest or when contracting with former or retired employees. See Ethics Policy E-56 and Professional and Consultant Services Policy C-45.

Cross Reference: Policy E-9 Salary Supplements, Stipends and Additional Compensation; Policy C-33 Purchasing Ethics and Confidentiality

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Procurement and Property Services/HUB Coordinator

Forms: None Disclosure of Substantial Interest; Sole Source/Product Justification
Purchasing Ethics and Confidentiality (C-33)

Original Implementation: Unpublished
Last Revision: April 13, 2006 January 27, 2009

Credibility and public confidence are vital throughout the purchasing and contracting process. If any involved party displays a lack of honesty, integrity or openness, the entire program is injured. Even the shadow of doubt can be as harmful as the conduct itself.

For the purpose of protecting both the integrity and objectivity of its employees in the performance of their University obligations it is the policy of the University that conflicts of interest should be avoided where possible or otherwise disclosed and managed.

Therefore, Any SFA employee involved in any form of procurement or the procurement process may not:

- Participate in or work on a contract by taking action as an employee through decision, approval, disapproval, recommendation, giving advice, investigation or similar action knowing that the employee, or member of their immediate family, any person or entity with whom the employee has a Family Relationship, Financial Relationship or Personal Relation, has an actual or potential financial interest in the contract, including prospective employment;
- Solicit or accept gifts or gratuities which might tend to influence purchasing decisions;
- Be employed by, or agree to work for, a vendor or potential vendor;
- Knowingly disclose confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of another person.

When an actual or potential violation of any of these standards is discovered, the person involved shall promptly file a written statement concerning the matter with an appropriate supervisor. The person may also request written instructions and disposition of the matter.

If an actual violation occurs or is not disclosed and remedied, the employee involved may be either reprimanded, suspended, or dismissed. The vendor or potential vendor may be barred from receiving future contracts and/or have an existing contract canceled.

Employees will be required to annually file a Disclosure of Substantial Interest form identifying any possible conflict of interest situations that may arise in regard to any type of procurement process, including but not limited to p-card, purchase requisition, purchase order or purchase voucher. TheDisclosure of Substantial Interest form must
be completed no later January 31 of each year for the calendar year and shall be completed during the year as needed to identify applicable changes. The information provided in the annual disclosure will be retained in Procurement Services, will be considered confidential information and will be released only to those individuals involved in purchasing decisions and only as needed; i.e., procurement, accounts payable, department heads, vice presidents, president, general counsel, etc.

Definitions:

**Family Relationship** – means

- employee’s spouse/partner
- employee’s children, grandchildren, parents, grandparents, brothers and sisters (including half brothers and sisters)
- the spouses of any of the persons listed in the above bullet
- the spouse’s/partner’s parents, brothers, sisters and children
- any firm in which any of the above persons is a partner or sole proprietor, or any corporation in which any of those persons holds 5% or more stock either directly or indirectly, or any other individual living in the same household.

**Financial Relationship** – means

a partnership or other commercial relationship involving a joint venture between the employee and another person or entity. Examples are: research grants, consultancies, honoraria and travel, self-managed equity interest in a company, employment of an immediate family member in a company and/or other benefits or substantial gifts from a company.

**Personal Relationship** – means

relationship with a person or entity sufficiently close that a reasonable person would believe that it would be difficult for the SFA employee to deal with the person as he or she would deal with a stranger.

— **Family Relationship**—means:

—employee’s spouse/partner
—employee’s children, grandchildren, parents, grandparents, brothers and sisters (including half brothers and sisters)
—the spouses of any of the persons listed in the above bullet
—the spouse’s/partner’s parents, brothers, sisters and children
—any firm in which any of the above persons is a partner or sole proprietor, or any corporation in which any of those persons holds 5% or more stock either directly or indirectly, or any other individual living in the same household.

—**Financial Relationship**—means a partnership or other commercial relationship involving a joint-venture between the employee and another person or entity. Examples are: research grants, consultancies, honoraria and travel, self-managed equity interest in a company; employment of an immediate-family member in a company and/or other benefits or substantial gifts from a company.

—**Personal Relationship**—means a relationship with a person or entity sufficiently close that a reasonable person would believe that it would be difficult for the SFA employee to deal with the person as he or she would deal with a stranger.

*Specific rules apply to purchases from an SFA employee or any person or entity with whom the employee has a Family, Financial or Personal Relationship. See Purchasing From Employees Policy C-27.*

If not related to a particular transaction, university employees may accept from vendors and others: (1) unsolicited advertising or promotional material such as pens, pencils, scratch pads, and calendars; (2) occasional business lunches or food and refreshments of insignificant value; and (3) other items of nominal or minor value (i.e., a box of candy or fruitcake, etc.) that are merely tokens of appreciation. Refer to Ethics Policy E-56 for the statutory definition of a "benefit." Refer to Gifts, Prizes and Awards Policy C-58 regarding the giving of gifts, prizes and awards.

Written disclosure *specific to the procurement* must be signed by all parties involved in the procurement process the President for any major contract awards of $1 million or more in value. All such written disclosures will be retained in the Purchasing Office Procurement Services. Reference Ethics Policy E-56 for specific information regarding the disclosure.

Specific disclosure is required for Consultant Contracts by any officer or employee with a financial interest or an individual related to the officer or employee with a financial interest. Reference Professional and Consultant Services Policy C-45 or Ethics Policy E-56 for specific information regarding the disclosure.

*When an actual violation of any of these standards is discovered, the person involved shall promptly file a written statement concerning the matter with the director of Procurement and Property Services. If an actual violation occurs or is not disclosed and remedied, the employee involved may be either reprimanded, suspended, or dismissed. The vendor or potential vendor may be barred from receiving future contracts and/or have an existing contract canceled.*
Purchasing professionals have the right under law to have any ethics question reviewed and decided by the State Ethics Commission. If you wish to learn whether a specific action violates the ethics rules, please contact the State Ethics Commission, 1101 Camino La Costa, Austin, Texas 78752 or call them at 1-800-325-8506.

**Source of Authority:** Vice President for Finance and Administration, Texas Government Code 2262.004, Texas Government Code 2254.032

**Cross Reference:** Ethics Policy E-56, Professional and Consultant Services Policy C-45; *Purchasing From Employees Policy C-27; Texas Government Code 2262.004; Texas Government Code 2254.032*

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** Director of Purchasing and Inventory Procurement and Property Services/HUB Coordinator

**Forms:** None *Disclosure of Substantial Interest*
Records Management (D-28)

Original Implementation: February, 1975
Last Revisions: January 19, 2008; January 27, 2009

The university shall adhere to state regulations for the management of its records. All university records, regardless of medium, created by or received by an office or employee in connection with the normal course of business are considered state records. Extra copies maintained only for reference are not subject to this Records Management Policy. Certain inactive records are retained to meet legal and fiscal requirements or future administrative needs, or because of historical significance. Department heads are responsible for the management of their department's records, including the records of all staff and faculty within their departments. In managing their records, they should adhere to the following guidelines.

1. Records of the official activities of university officers and offices are the property of the university.
2. Official records should not be destroyed without the approval of the officer in charge of the department where the records accumulate. They should be destroyed in accordance with the approved SFASU Records Retention Schedule. Records that are not listed on the Records Retention Schedule may not be destroyed without the approval of the Records Management Division of the State of Texas Library and Archives Commission. In addition, the approval of the State Auditor is required in the case of the destruction of a state records of a fiscal or financial nature.
3. When records cease to have current value for an office and when they are listed on the Records Retention Schedule as having archival value, the officer in charge shall arrange for their systematic transfer to the East Texas Research Center of the library. For records determined to have archival value, but not listed as such on the schedule, contact the Director of the East Texas Research Center.
4. Administrative officers shall consult with the general counsel on any question of compliance with the Public Information Act.
5. Each administrative office shall designate an individual to consult with the East Texas Research Center's Records Management Assistant with questions regarding implementation of the records management program in his/her office. The name and telephone number of this person should be given to the ETRC Records Management Assistant.

1. Each department is responsible for evaluating files at least once a year to ensure that records are being retained in accordance with the approved SFASU Records Retention Schedule.
2. Records determined to be obsolete by the department should be disposed of according to the SFASU Records Retention Schedule.
3. Before final disposition of records listed on the Records Retention Schedule, a Records Disposition Log must be prepared. Enter the records
series title, retention period, inclusive dates of the records, and appropriate disposition method on the log. The person authorizing disposition of the records series, usually the department head, must sign the log.

4. If a department has records not listed on the schedule, special permission from the state must be obtained to dispose of them. Records exempted from the need to be listed on the Records Retention Schedule by rules adopted by the State Library need not receive approval for destruction. The Records Retention Assistant should be contacted for specific instructions.

5. Before final disposition of records, a Records Disposition Log must be prepared. Enter the records series title, retention period, inclusive dates of the records, and appropriate disposition method on the log. The person authorizing disposition of the records series, usually the department head, must sign the log.

6. After the log authorizing disposition is signed by the department head, the records must be disposed of in the appropriate manner. If a records series has archival requirements as indicated by the schedule, contact the Records Retention assistant for specific instructions. If records are to be destroyed, destruction is to be accomplished by shredding if the records are confidential; by recycling or trash if the records are open; and by erasure if the records are electronic. Enter the volume and actual date of records disposition on the log.

7. The records disposition log is maintained in the department responsible for disposing of the records until the end of the fiscal year and is then forwarded to the Records Retention Assistant at Steen Library, Box 13055.

Records Retention Schedule

1. The approved SFASU Records Retention Schedule establishes the official life span for records series maintained in university offices. This schedule shall be reviewed and approved by the State Library and State Auditor as periodically required by the State Records Administrator.

2. The Records Retention Schedule is a listing of SFASU's records series; it identifies special considerations regarding a records series, such as legal, audit, or archival requirements, and the length of time a records series must be retained before final disposition. Statutory confidentiality requirements must be maintained regardless of the special identifications noted on the Records Retention Schedule.

3. The university's Records Retention Schedule, detailing the length of time records series must be retained (examples of records series include correspondence, time sheets, travel requests, expenditure vouchers, and numerous others) is available in the East Texas Research Center and in university departments upon request from the Records Retention Assistant in ETRC.
4. The Records Retention Assistant in the East Texas Research Center of the Ralph W. Steen Library is the central contact person for information about policy compliance in records retention and disposal procedures.

**Source of Authority:** Subchapter L of Chapter 441 of the Texas Government Code; SFASU Records Administrator

**Cross Reference:** None - Subchapter L of Chapter 441 of the Texas Government Code

**Responsible for Implementation:** President

**Contact for Revision:** SFASU Records Administrator; General Counsel

**Forms:** Records Inventory Worksheet (RMD 103); Records Disposition Log; Request to Dispose of Records not listed in Records Retention Schedule (RMD 102); and Records Retention Schedule (SLR 105C)
Request to Establish an Account (C-34)

Original Implementation: Unpublished
Last Revision: January 19, 2006 January 27, 2009

Requests to establish a new account must be submitted on the "Request to Establish an Account" form. This form originates in the requesting department and is submitted through appropriate division channels for approval. The request is submitted to the Director of Financial Services controller's Office after division approval. The Director of Financial Services controller's Office may approve the request and establish the account or obtain the approval of the Vice President for Finance and Administration or Budget Director to establish the account, or forward the request to the Controller to approve and establish the account.

Requests for expenditure accounts must include a detailed budget. No account will be established until funding for the account is available. No funds will be obligated or expended until the account is established.

The Controller's Office that assigns the account number will notify the account manager when the account is ready for use.

Source of Authority: Vice President for Finance and Administration

Cross Reference: None

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Director of Financial Services Vice President for Finance and Administration

Forms: Request to Establish an Account
Retirement Programs (E-43)

Original Implementation: September 1, 1983
Last Revision: April 13, 2006 January 27, 2009

Employees of the university working 20 hours per week (50% time) or more for a period of at least four and one-half months must participate in either the Teacher Retirement System of Texas (TRS) or an Optional Retirement Program (ORP). This excludes students employed in positions requiring student status as a condition of employment.

Contribution amounts for the employee, and the employer matching monies, are determined by the Texas State Legislature. These amounts are subject to change with any legislative session. The amounts listed are those in effect at the time of publication of this policy and in no way reflect a contract between Stephen F. Austin State University and any employee.

1. **Teacher Retirement System.** Employees who participate in the Teacher Retirement System of Texas are required to contribute 6.4% of their gross annual salary to the Retirement System. The employer matching contribution is 6.58% of the gross annual salary beginning 9-1-2007. Contributions are obtained through monthly payroll deductions.

2. **Optional Retirement Program**
   a. **ELIGIBILITY—**An Optional Retirement Program is available to the following employees of the university: full-time members of the faculty whose duties include teaching or research; administrator responsible for teaching and research faculty; professional librarians, the president, vice presidents, or other professional staff members whose national mobility requirements are similar to those of faculty members and who fills a position that is the subject of nationwide searches in the academic community. Eligibility to participate is also subject to rules adopted by the Higher Education Coordinating Board. Positions listed as classified are ineligible to participate. Eligibility in ORP is in lieu of present or future active membership in the Teacher Retirement System of Texas.

The university Board of Regents utilizes the following definitions, promulgated by the Texas Higher Education Coordinating Board, for determining eligibility for participation in the Optional Retirement Program:

1. "a member of the faculty whose duties include teaching or research" shall mean: all persons whose specific assignments are made for the purpose of conducting instruction or research as a principal activity (or activities), and who hold titles of
professor, associate professor, assistant professor, instructor, lecturer, or equivalent faculty title;

2. "an administrator responsible for teaching and research faculty" shall mean: deans, directors, associate deans, assistant deans, chairpersons or heads of academic departments if their principal activity is planning, organizing and directing the activities of faculty as defined in subsection (1) of this section;

3. "professional librarian" shall mean: a librarian with a degree in library science;

4. "other professional staff person" shall mean: administrative and professional positions customarily recruited by advertising in national publications such as The Chronicle of Higher Education or in newsletters of national professional associations or at meetings of such associations. In addition, each administrative or professional position must be at a salary rate equivalent to the rate for faculty for the institution.
   a. administrative positions shall normally report to the office of the president, vice president or dean. Incumbents in such positions serve as director or other administrative head of a major department or budget entity. Incumbents of such positions must be:
      i. appointed by the governing board or the chief administrative officer of the institution, or his/her delegate; and
      ii. responsible for the preparation and administration of the budget, policies, and programs of the department or entity.
   b. professional positions shall include positions in nationally recognized fields, which require advanced degrees and/or specialized professional and artistic training, experience, and achievement. These would include titles such as physicians, athletic coaches, engineers, and lawyers.
   c. TIME LIMIT FOR ELECTION OF ORP--Eligible new employees have 90 days after employment by the university in an ORP eligible position to elect to participate in ORP. An employee who elects to participate in ORP must complete the Form TRS 28 and the proper payroll forms. The employee will complete Form TRS 29 to withdraw all contributions they made to TRS prior to election ORP.
   d. CONTRIBUTIONS TO ORP--Contributions of participants in ORP shall be 6.65% of gross annual salary. The employer matching contribution is 8.5% of the gross annual salary for grandfathered employees (ORP participants prior to 9-1-95.) New employees hired on or after 9-1-95 and before 8-31-2007, received a 6.0% employer matching contribution. Beginning 9-1-2007, the state has changed the amount for employees hired on or after 9-1-1995 from 6.0% to 6.58% and all new employees receive 6.58% employer matching contributions.

5. Federal, Private, and other Non-Education and General Contributions to Retirement Programs. As a result of House Bill 2083 passed by the Texas 66th Legislature, and Senate Bill 745 passed by the Texas 69th Legislature, matching
contributions into both ORP and TRS based on salaries and wages paid from these sources will be direct fringe benefit charges against these sources.

A listing of authorized vendors and agents is available in Human Resources.

**Source of Authority:** V.T.C.S., Title 110B, Chapter 31-36; Texas Higher Education Coordinating Board; Board of Regents, President

**Cross Reference:** None V.T.C.S., Title 110B, Chapter 31-36

**Responsible for Implementation:** President

**Contact for Revision:** Director of Human Resources

**Forms:** Form TRS 28 and the ORP-1, (both forms are available in Human Resources)
Security Sensitive Positions (E-44)

Original Implementation: May 1, 1989
Last Revision: January 19, 2006 January 27, 2009

Security sensitive positions are those in which employees handle currency, have access to financial records, legal records, medical records, personnel records and/or student academic records, have access to a master key, or work in an area of the university which has been designated as a security sensitive area. Positions designated as security sensitive will be identified as such in individual job descriptions, in any advertising for job applicants, and in all personnel transaction forms and correspondence with Human Resources concerning recruitment.

Department heads and/or account managers having the authority to employ, who desire to establish, change, or delete a position as security sensitive must submit, through administrative channels, a recommendation to the appropriate vice president. If approved, the vice president will forward the recommendation to the director of Human Resources who will identify the position as security sensitive in the personnel records of the university. All advertisements and notices released for security sensitive positions shall include the statement: "Security Sensitive Position."

At or prior to employment, Human Resources requests conducts a Criminal Record Check which is forwarded to the Chief of University Police. The candidate may be offered continued employment by the university contingent upon the evaluation of the criminal history record check. If the check reveals a criminal record, the Chief of University Police informs the Director of Human Resources. The director of Human Resources will evaluate the record in light of the university's policy on employment of persons with criminal history and make a recommendation to confer with the department head that on whether the employee will be "recommended" or "not recommended" for continued employment. A recommendation to continue employment will be made when there is no criminal record, or when there is a record but it is not considered a bar to employment of the candidate by the University for that position. The appropriate vice president or president will make the final decision on continued employment of the candidate.

After the expiration of the employee's probationary term of employment, all criminal history information relating to the employee shall be destroyed by the Chief of University Police.

Source of Authority: Texas Education Code, Section 51.215; President; Vice President for Finance and Administration

Cross Reference: None Texas Education Code, Section 51.215

Responsible for Implementation: Vice President for Finance and Administration
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Contact for Revision: Director of Human Resources and General Counsel

Forms: None
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Special Purchases (C-36)

Original Implementation: Unpublished
Last Revision: July 10, 2007 January 27, 2009

The following items require special consideration for proper processing:

XXXI. Advertising copy: Requires approval by the Office of Public Affairs prior to release. See Policy D-39 University Publications.

XXXII. Account Types: Purchasing Procurement generally views the distinction between types of accounts as follows: 1-xxxx (except for the 1-7xxxx series); State Appropriated Funds - Use of funds must relate directly to the educational purpose of the university.

1-7xxxx; HEF and Instructional Capital (IC) - Use of funds must be used for the purchase of equipment only. Books and videos may also be purchased with HEF and IC. Maintenance may be purchased only if purchased concurrently with equipment.

2-xxxxx: Designated Funds other than Course Fee Accounts - Use of funds is designated by the university and must relate to the educational purpose of the university or be of benefit to the university department.

2-xxxxx: Course Fee Accounts – Use of funds must be for the specific course to which it applies.

3-xxxxx: Auxiliary Funds - Use of funds must be related to a university business type enterprise.

4-xxxxx: Restricted Grant Funds – Use of funds is restricted to the purpose and/or restrictions of the grant.

5-xxxxx: Discretionary Funds – Use of funds is restricted to certain departments or specific purposes including use at the discretion of the account manager/department head.

0-9xxxx; Agency Funds - Use of funds is never processed through the requisition/purchase order process. See Policy C-01.2 Agency Accounts for detailed information about the use and disbursement of funds from these accounts.

XXXIII. Aggregate Purchase Order Total $100,000 Or Greater: Requires Board of Regents approval unless otherwise exempted by Policy D-20.5 Items Requiring Board of Regents Approval or Policy C-9 Contracting Authority.

XXXIV. Bus Charters: Requires standard contract from vendor plus Addendum to Charter Bus Contract. See Preferred Vendor Contracts for annual contracts.

XXXV. Consultant Contracts: Review Policy C-45 Professional and Consultant Services carefully before making any commitment on behalf of the university.
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XXXIV.6. **Purchases from Employees:** See Policy C-27 Purchases from Employees and Policy C-33 Purchasing Ethics and Confidentiality.

XXXIV.7. **Food Purchases:** All purchases of food must be certified by the account manager in accordance with Policy C-13 Food Purchases and is prohibited on certain accounts.

XXXIV.8. **Insurance:** Purchase of insurance is to be submitted on a purchase requisition and requires approval by the State Office of Risk Management. Specific insurance requirements should be brought to the attention of the Environmental Health, Safety and Risk Management Office.

XXXIV.9. **Interagency and InterLocal Contracts:** See Policy C-18 Interagency and Interlocal Contracts.

XXXIX.10. **Memberships:** See Policy C-17 Memberships.

XL.11. **Moving Expenses:** See Policy C-21 Moving Expenses.

XL.12. **Printing:** University Printing Services is to be utilized to the extent possible for printing and duplication. All official university publications require editorial approval prior to printing regardless of the source of printing services. See Policy D-39 University Publications.

XL.13. **Professional Services:** Review Policy C-45 Professional and Consultant Services carefully before making a commitment on behalf of the university.

XLH.14. **Proprietary Purchases:** See Policy C-26 Proprietary Purchases.

XLV.15. **Radioactive or Radiation Producing Materials or Equipment:** See Policy D-27 Radioactive or Radiation Producing Material or Equipment.

XLV.16. **Real Property – Rental, Lease or Purchase:** The rental, lease or purchase of real estate requires approval of the vice president for finance and administration.

XLVI.17. **TIBH(Texas Industries for the Blind and Handicapped):** Required source if using state funds. If TIBH is not used an exception report must be completed and submitted to the director of purchasing procurement.

XLVI.18. **Used Equipment:** The purchase of used equipment valued over $5,000 requires additional documentation. See Policy C-29 Purchase of Used Equipment or Supplies.

Cross Reference: Agency Accounts, Policy CO 1.2; Food Purchases, Policy C-13; Memberships, Policy C-17; Moving Expenses, Policy C-21; Proprietary Purchases, Policy C-26; Purchases From Employees, Policy C-27; Purchase of Used Equipment or Supplies, Policy C-29; Purchasing Ethics and Confidentiality, Policy C-33; Professional
and Consultant Services, Policy C-45; Radioactive or Radiation Producing Materials or Equipment, Policy D-27; University Publications, Policy D-39

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** Director of Purchasing and Inventories/Procurement and Property Services/HUB Coordinator

**Forms:** Purchase Requisition (Use FRS System); Preferred Vendor Contracts (Purchasing website); Addendum to Charter Bus Contract (General Counsel’s website)
Temporary Employment (E-49)

Original Implementation: September, 1988
Last Revision: January 30, 2009

When it becomes necessary for a department to seek temporary employees, and temporary assistance is not available from within the department, division or college, the following procedures must be followed.

Temporary Casual Employment

A department may employ a temporary casual employee either on a part-time or full-time basis for a period not to exceed ninety (90) consecutive working days. Departments may hire a casual employee without posting the position. Casual employees must be paid at least minimum wage and must complete the appropriate paperwork with the Human Resources office within the first three (3) days of employment and attend the mandatory EEO Training within the first thirty (30) days of employment. Departments should complete a PAR to hire the casual employee, fax a copy to Human Resources, and then route the PAR for signatures.

Temporary Services

Temporary employees may also be secured through the temporary agency which has contracted with SFA to provide temporary labor services. The SFA department needing assistance should contact the temporary agency to make the order and negotiate the wage to be paid to the temporary services employee. Upon agreement between the department and the temporary agency, the temporary agency will contact the SFA Human Resources and Purchasing Procurement and Property Services departments to notify them of the agreement. More detailed information regarding the temporary agency and how to secure a temporary employee can be found on the SFA Human Resources and Purchasing Procurement and Property Services departments’ websites.

Temporary Staff Appointments

A department may occasionally have a need to fill a temporary position for a time period which would extend beyond the 90-day temporary casual employment category. A “temporary staff appointment” is available for a terminal period of time which would be determined and clearly communicated by the president or appropriate vice president before the employment could take place. These temporary positions will be required to be posted for 5 days. The appointment will be communicated in writing to the selected candidate and it will be clearly stated that the position is temporary, for a specified period of time. These positions will be eligible for benefits, if they are employed for a
period of more than four and one-half months and have at least a 50% FTE. The employment of the selected candidate will be “at-will” and may be terminated at any time during the employment period for any reason other than for a discriminatory or other illegal cause.

**Cross Reference:** Personnel Action Request, see Index E-39

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** President

**Forms:** Personnel Action Request, see Index E-39
Travel (C-49)

Original Implementation: October 31, 2000
Last Revision: October 20, 2005 January 27, 2009

Applicability

Unless otherwise stated, this policy applies to employees and prospective employees traveling in a University capacity except members of the Board of Regents and the President, who are exempt, and intercollegiate athletics. All policies, rules, and regulations related to travel on behalf of, or in connection with, intercollegiate athletics are included in the current issue of the Intercollegiate Athletics Policy Manual.

The travel regulations contained in this policy apply to all University funds. The reimbursement limits established by this policy may be exceeded only if funds are available in, and the additional costs are charged to, a discretionary account controlled by the budget manager authorizing the additional expenditure. For this policy, discretionary funds shall be defined as specified accounts established for the sole purpose of discretionary use. Expenses paid above the allowable limits will be reported annually to administration as excess travel expenditures.

Employees traveling under contracts and grants (federal, state, local, or private) shall be reimbursed for travel expenses and allowances on the same basis as other University employees, except in those instances where the terms of the contract or grant specify travel guidelines and reimbursement rates which differ from University reimbursement rates.

General Travel Regulations

Generally, the State of Texas Travel Allowance Guide (the Guide) is the authoritative document regarding travel rules and regulations. The Guide is located in the Controller’s Office and online at the Travel Website. In case of conflict between the Guide and this policy, this policy takes precedence.

The University shall make every effort to ensure that travel expenses paid and/or reimbursed are reasonable and the most cost-effective considering all relevant circumstances.

A state employee is responsible for ensuring that his or her travel complies with applicable state law, the travel allowance Guide, and SFA’s Travel Policy. Failure to comply will result in reimbursement delays or rejection of the employee’s travel voucher. Fraudulent travel claims will be grounds for disciplinary action.
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Employees and others traveling on behalf of the University are reimbursed for actual lodging expenses and on a per diem basis for meals, subject to the provisions of this policy. In the case of employees traveling together, each must pay and claim reimbursement for his own expenses (except taxi or limousine expenses - see Incidental Expenses section of this policy). No expenses can be reimbursed to the traveler until the trip has been completed and a properly documented travel voucher is submitted, except prepaid airfare. (See Airline Ticket Purchase section below.)

Tips and gratuities are not reimbursable.

The applicable account manager may limit or prohibit reimbursement of any travel expenditure provided the traveler is notified in advance.

Travel Request

Except as stated in the Applicability section of this policy, anyone traveling on University business must obtain permission in advance of the trip. A Travel Request form (available from University Printing Services and at Travel Website) must be submitted online according to the instructions available on the Travel website. It is submitted and approved at all applicable levels, as indicated on the form, whether or not expenses will be incurred. All estimated expenses of the trip are to be reflected on the Travel Request, regardless of whether they are to be prepaid how they are to be paid (i.e. registration paid by voucher or p-card). A Travel Request must be submitted and approved at all applicable levels even if no travel expenses are anticipated.

The Controller's Office uses the Travel Request to encumber funds against the appropriate account(s). The online Travel Request will be approved by the Controller's Office only when account balances are sufficient to cover the total estimated cost of the trip. Whenever possible the Travel Request should be entered and approved received by the Controller's Office at least seven days (75) working days prior to departure.

Travel to Washington, DC

An employee traveling to Washington, DC to confer on legislative or appropriations issues shall inform the Texas Office of State-Federal Relations about the timing and purpose of the trip, and provide the office with the name of a person who may be contacted for additional information about the trip. A completed form, Report of State Agency Travel to Washington, DC (available online at the Travel Website), will meet this requirement when submitted prior to the trip.
Appendix 4

Foreign Travel

Official university business travel to any foreign country other than Canada or Mexico requires advance written approval from the president of the university Chair of the Board of Regents. The traveler must submit a Travel Request through the appropriate administrative channels to the President, who will forward the request to the Board Chair. To be considered for approval, foreign travel must be directly related to the university's mission and must require a duty that cannot be performed without the travel.

A completed online Travel Request form (available from University Printing Services and at Travel Website) must be routed through approved at all the appropriate administrative levels in sufficient time to be reviewed and approved by the president Board Chair prior to the date of departure.

Charge Card for Travel Expenses

An individual corporate charge card is available for eligible employees. To be eligible to apply, the employee must take, or expect to take, three (3) or more business trips per fiscal year, or expend at least $500 per fiscal year for official state business. An employee is not required to apply for or accept a state-issued charge card.

The state-issued individual corporate charge card is to be used for business-related charges only while traveling on official state business. Use of the card for personal business is considered a violation of state policy and the employee may be subject to disciplinary action. The individual whose name appears on the card is solely responsible for payment of the account. If the card is suspended or cancelled for misuse or nonpayment, the employee will be ineligible for travel advances from the university.

If the application is approved by the credit card company, the employee agrees to be bound by the card member agreement which will be sent with each card. Additionally, the employee agrees to be bound by the state policies governing the use of the card. Applications and further information concerning this program are available in the controller's office or online at the Travel website. The employee, the employee's supervisor, and the travel manager in the controller's office must sign the application.

Advance Travel Funds

Advance travel funds are available for employees who wish to obtain money in advance of the trip and who are ineligible to apply for the individual corporate charge card. Employees eligible to apply for the corporate credit card are not eligible for advances; however, any employee may request advance travel funds when taking student groups.
Eligibility to apply for the State issued corporate card is defined as taking three or more business trips per fiscal year or expending at least $500.00 per fiscal year for official State business. Advance travel funds may be requested by entering an online Travel Request type form (available from University Printing Services and at Travel Website) (see online instructions for complete details). The minimum amount of advance funds that can be obtained is $100. The maximum amount of advance funds that can be obtained is 50 percent of the traveler's anticipated out-of-pocket expenditures. Exceptions to this 50 percent limit will be made for road bus drivers. Other exceptions must be approved by the appropriate Vice President or the President.

To receive advance travel funds, the Travel Request type AT should be reentered and approved at least five zevven (75) working days prior to departure. An advance will not be issued unless the Travel Request has been approved. Generally, the requested funds will be available at the University Business Office at least one working day prior to departure. Advance travel funds will be issued by a check made payable to the individual requesting the funds. As a condition of receiving advance travel funds, the employee agrees to refund any excess (amount advanced less documented eligible expenditures on the Travel Voucher) within 1530 days from the ending date of the trip. An employee receiving advance travel funds will be ineligible for future travel advances until the outstanding Travel Voucher is submitted. An employee who receives an advance and does not travel must immediately return the advance funds. Abuse of the travel advance privilege will result in ineligibility for future advances and the employee may be subject to disciplinary action.

An advance travel check will only be issued prior to the trip. No advancement is authorized if the trip has already commenced. The traveler should submit a Travel Voucher for reimbursement subsequent to the trip.

Travel Voucher (Travel Expense Documentation and Reimbursement)

In order to receive reimbursement, travel expenditures must be documented on the Travel Voucher approved by the Travel Office (available from University Printing Services and online at the Travel Website) and signed by the traveler. Any manager of the voucher exceeds the original request by more than $50 a revised Travel Request must be approved at all applicable levels. The Travel Voucher must reflect the total reimbursable expenses paid by the employee, regardless of whether advance travel funds were received. Expenses paid by the University should not be on the Travel Voucher. Original receipts are required for most travel expenses (see applicable section of this policy for specific details), except meals. In the case of meal expenses for group travel, the sponsor/advisor must provide documentation of how the funds were expended.
The sponsor/advisor should contact the travel manager in the Controller's Office in advance of the trip for instructions. See Student and Other Group Travel, below.

The Travel Voucher should be submitted, with original receipts attached, to the Controller's Office within 15 days from the ending date of the trip. No reimbursements will be made and all prior year encumbrances will be cancelled 30 days after the end of the fiscal year.

Conference, workshop, or meeting agendas are required to be attached to the travel voucher. The registration fees paid often include the cost of certain meals provided during the event. An employee cannot claim per diem for the meals that are included in the cost of the conference.

The State of Texas Travel Allowance Guide can be useful in the completion of Travel Vouchers. It provides comprehensive information on travel procedures and the proper classification of travel related expenditures. A current copy of the Guide is available online in the Controller's Office or at the Travel website.

Foreign Currency Conversion

All amounts listed on the Travel Voucher must be converted to U.S. dollars using the rate applicable on the date of the expenditure. A foreign currency conversion table is available online at the Travel website. Documentation of the conversion calculation must be attached to the Travel Voucher. Receipts are required for all reimbursed expenses. In lieu of providing receipts and foreign currency conversions for foreign meals, travelers may elect to be reimbursed at in-state per diem rates.

Reimbursement Rates - Lodging

Reimbursement may not exceed the amount of lodging expenses actually incurred at a commercial lodging establishment, subject to maximum allowances stated below. The original itemized lodging receipt, attached to the Travel Voucher, is required.

The State Travel Management Program of the General Services Commission has contracted with several commercial lodging establishments for special rates. The contracted vendors and rates are listed in the Texas State Travel Directory - which is distributed to each department - or available online at the travel website. Employees are encouraged to utilize the contracted vendors when possible.
**Travel Tip:** The governmental rate for lodging is usually less than the convention conference rate. Employees should check the governmental rate first. Since there is often a limited number of rooms available at the governmental rate, employees should make hotel reservations far in advance of the travel dates.

**In-State**

Travelers may be reimbursed for the actual cost of lodging, not to exceed the rate designated in the State of Texas Travel Allowance Guide or set by the President. The President may, at his discretion, establish a lower rate. Travelers will be notified in advance of the effective date of any rate change.

Hotel taxes are not included in maximum lodging reimbursement rates. Local taxes on the allowable lodging cost will be reimbursed and should be recorded as lodging tax on the travel voucher. Additionally, they may be reimbursed for local taxes on the allowable lodging cost. State tax on in-state lodging will not be reimbursed to State employees. Instead, State employees must submit a completed Texas Hotel Occupancy Tax Exemption Certificate (available from University Printing Services and online at the Travel Website) to commercial lodging establishments at check-in. Employees should also be prepared to show proof of State employment.

**Out-of-State**

The Texas State Comptroller provides the maximum reimbursement rates for out-of-state lodging. A list of the rates, which is updated from time to time, is available online at the Travel Website. Within the continental United States, lodging reimbursement is limited to the locality-based allowance as stated on the list. For cities and counties not included on the list, the allowance is the Continental US (CONUS) median rate established for lodging in that state. Since employees are not exempt from any tax for out-of-state or international travel, they may be reimbursed for hotel occupancy taxes paid on the allowable lodging costs. Applicable taxes on the allowable lodging costs may also be reimbursed. Travelers to Alaska, Hawaii, or a foreign country may be reimbursed for actual, reasonable costs.

If the actual cost of lodging exceeds a locality's lodging allowance, an employee may reduce the maximum meal reimbursement rate for that locality and use the reduction to increase the lodging reimbursement rate for that locality. No such adjustment can be made to increase the maximum meal reimbursement rate.

**Shared Lodging**
When two or more employees share lodging, each employee must pay and claim his prorated share of the cost. The University will reimburse each employee his share of the lodging expense, not to exceed the applicable maximum lodging reimbursement rate. A list of names of those sharing the same room must be attached to each Travel Voucher.

If only one of the individuals sharing lodging is an employee, then the amount that the employee may be reimbursed for lodging expenses is the lesser of the single occupancy room rate or the maximum lodging reimbursement rate.

Reimbursement Rates - Meals

This section of the Travel policy is inapplicable to Road Bus Drivers. Normally, Road Bus Drivers are not reimbursed for meals. Any reimbursement of meal expenditures for Road Bus Drivers is subject to the discretion and approval of the Physical Plant.

Meal expenses are reimbursed on a per diem basis, as follows: Meals are eligible for reimbursement if travel includes an overnight stay. The following table sets the per diem rate of reimbursement:

<table>
<thead>
<tr>
<th></th>
<th>IN-STATE</th>
<th>IN &amp; OUT-OF-STATE</th>
<th>OUT-OF-STATE**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With Overnight Stay</td>
<td>Without Overnight Stay*</td>
<td>With Overnight Stay</td>
</tr>
<tr>
<td>Breakfast</td>
<td>$6.50</td>
<td>$6.50</td>
<td>17% of locality-based allowance</td>
</tr>
<tr>
<td>Lunch</td>
<td>$11.50</td>
<td>$11.50</td>
<td>33% of locality-based allowance</td>
</tr>
<tr>
<td>Dinner</td>
<td>$18.00</td>
<td>$18.00</td>
<td>50% of locality-based allowance</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$36.00</td>
<td>$36.00</td>
<td></td>
</tr>
</tbody>
</table>

* Reimbursement without overnight stay is allowed if official travel requires the employee to be at least 50 miles from his designated worksite for at least six (6) consecutive hours during the calendar day. Internal Revenue Service rules (Publication 463) state "you cannot deduct the cost of meals if it is not necessary for you to stop for sleep or rest to properly perform your duties." Therefore, all reimbursement for meals without overnight stay is taxable to the employee. The reimbursement will be paid monthly in the employee's regular payroll check, and taxes will be withheld.

** Within the continental United States, meal reimbursement is limited to the locality-based allowance (list available online at the Travel Website) provided by the Texas
State Comptroller. For cities and counties not included on the list, the allowance is the CONUS median rate established in that state for meals. Travelers to Alaska, Hawaii, or a foreign country may be reimbursed for actual, reasonable costs.

Meal per diems for initial day of travel and final day of travel will be based on the following schedule according to departure and arrival times. They are reimbursable for travel during the following time period.

Initial day of travel:

Breakfast – must depart no later than 6:00 AM
Lunch – must depart no later than 11:30 AM
Dinner – must depart no later than 6:00 PM

Final day of travel:

Breakfast – must return after 8:00 AM
Lunch – must return after 1:30 PM
Dinner – must return after 8:00 PM

Breakfast Travel includes 6:00 a.m. – 8:00 a.m.
Lunch Travel includes 11:30 a.m. – 1:30 p.m.
Dinner Travel includes 6:00 p.m. – 8:00 p.m.

The traveler must be away from his designated worksite on official business the entire time period to be eligible for per diem for that meal.

No per diem meal reimbursement is allowed for trips not including an overnight stay.

The daily reimbursement rate for meals is established by the State and Federal government regulation and is subject to change. The President, at his discretion, may establish a lower rate. Travelers will be notified in advance of the effective date of any rate change. When such change occurs, the University will adopt the new rate on the effective date.
Additional guidelines for meal reimbursement:

Some registration fees include meals. In this case, the registration fee is fully reimbursable but the employee must not claim per diem for the included meal, according to the applicable rates above.

Meals purchased for the traveler by another person or entity are not reimbursable. In this instance, the employee must not claim per diem for that meal, according to the applicable rates above.

In the case of employees traveling together, each must pay and claim his own expenses.

Receipts are not required for meal expenses except for meals expenses for group and foreign travel. In this case, the sponsor/advisor must provide documentation of how the funds were expended. The sponsor/advisor should contact the travel manager in the Controller's Office in advance of the trip for instructions. (Refer to the Student and Group Travel section of this policy.)

Travel To/From the Duty Point; Travel Before/After Conducting Official Business

Subject to the other provisions of this policy, meals and lodging expenses may be reimbursed for travel expenses to/from the duty point and prior to/after conducting official business. This is only as necessary, and generally limited to no more than one day before/after the business event, unless it is financially beneficial to the university (e.g., when discounted airfare requires Saturday night stay and the additional expenses incurred (hotel/meals/transportation) would not exceed the airfare savings). In these instances, the total net savings must be documented and attached to the Travel Voucher.

Reimbursement Rates - Mileage

The number of reimbursable miles traveled by an employee may not exceed the number of miles of the most cost-effective route. The shortest route between points, including the use of all farm-to-market roads, is presumed to be the most cost-effective route. The Texas Comptroller of Public Accounts Mileage Guide (the Mileage Guide) (available online at the Travel Website) calculates the mileage between two locations. When both locations are in the Mileage Guide database, the employee may be reimbursed for either the number of miles (1) calculated by the Mileage Guide or (2) calculated by the employee's odometer. When one or both locations are not in the Mileage Guide database, the number of reimbursable miles is calculated by the employee's odometer. Mileage determined by use of the employee's odometer must be itemized on a point-to-point basis on the Travel Voucher. Any vicinity mileage at the destination location must also be itemized separately on a point-to-point basis. For the purposes of this paragraph, "point"
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means a building, house, highway intersection, or other similarly localized spot. A Point-to-Point Odometer Log is available in the forms section of the travel website if needed.

The maximum reimbursement rate for use of an employee's personal vehicle is established by the Board of Regents and the State legislature and Federal regulation, and is subject to change. The President, at his discretion, may establish a lower rate. That rate is the maximum amount allowed in the State of Texas Travel Allowance Guide (available in the Controller's Office or at Travel Website) or as updated by the Texas State Comptroller. Travelers will be notified in advance of the effective date of any rate change.

Four-Per-Car-Rule

Coordination of travel must occur when two, three, or four employees travel on the same dates with the same itinerary to conduct the same official State business. When coordination of travel is required, only one employee may be reimbursed for mileage.

Reimbursement Rates - When Representing the University President

If the President is unable to attend a meeting or conference, the President may designate, on an individual trip basis, one employee as a representative to travel. Under this provision, the employee is reimbursed for actual expenses, not to exceed twice the maximum allowance rates for lodging and meals specified by this policy. The Travel Voucher must be accompanied by the original designating document from the President. Receipts are required as specified in this policy, and the employee may only claim his own expenses.

Registration Fees

The registration fee for attendance at a professional meeting is reimbursable if the fee was approved on the Travel Request. Following the trip the fee must be shown as a miscellaneous expense on the Travel Voucher, with the original receipt attached. The employee will be reimbursed for out-of-pocket costs for registration fees (not paid as a direct pay or with a p-card) when submitted on the Travel Voucher with the original receipt.

Attendance at in-town conferences does not require a Travel Request. Employees may be reimbursed for in-town registration fees by submitting an online Purchase Requisition type RE and sending the original receipt to Accounts Payable. The description should indicate that the conference was in Nacogdoches.
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Some registration fees include meals. In this case, the registration fee is fully reimbursable but no additional amount can be claimed for the included meals.

Prepayment of Registration Fees by University

When requested, the University will prepay the registration fee for official business conferences and seminars. If the meeting is held out-of-town, the employee must first obtain approval to travel by submitting a Travel Request showing the registration fee as a part of the estimated cost of the trip. Additionally, the completed Purchase Voucher (available from University Printing Services and at Travel Website) and registration form with the travel request number written on it must be submitted to the Controller's Office well in advance of the payment due date. Registration fees may not be paid more than six (6) weeks in advance of the seminar or conference unless the cost savings is considerable to the University (such as early-bird discounts) or if there is a limited capacity for attendance. Advance payment is allowed only when the voucher is payable to the organization sponsoring the conference.

The state-issued Procurement Card may also be used to prepay registration fees after a Travel Request has been approved.

Airline Ticket Purchases

Any airline ticket expense, whether to be prepaid or reimbursed, must be listed on the approved Travel Request.

The State Travel Management Program of the Texas Building and Procurement General Services Commission has contracted with several airlines to provide special airfare rates for certain flights. A listing of the flights and rates is available online at the Travel Website.

Employees are encouraged to make flight reservations at discounted fares. Often this requires that the ticket be purchased well in advance of the travel date. Upon approval of the Travel Request, employees may make the airfare purchase personally or have it charged to the University, using the following procedures:

After a Travel Request has been approved, an employee may personally pay for his/her airline ticket and request reimbursement in advance of the trip by completing the Travel Voucher and attaching the receipt which shows passenger name, date of travel, date of purchase, price and destination and receive funds from the Cash Advance Account by submitting an original receipt to the travel office. These funds will be treated as a cash advance requiring submission of a properly completed Travel Voucher within fifteen (15) days after the end of the trip, but will not be subject to the 50% limit. An employee
wishing to charge an airline ticket directly to the University must submit an Airfare Billing Form (available from University Printing Services) to the Controller's Office. After approval, the employee must present the signed form to a local participating travel agency (list available online at the Travel Website). The travel agency will book the flight and charge the expense to the University rather than to the employee.

The University cannot reimburse an employee for the cost of air transportation by a non-commercial transportation company.

Use of Non-University Owned Vehicle While on Official Business

An employee operating a personal vehicle must carry insurance as required by State law. An employee operating any non-University owned vehicle, including his own personal vehicle or a personally rented vehicle, does so at his own risk. The University accepts no responsibility for vehicle or other damage, personal injury, claims filing, vehicle repair, maintenance, insurance costs, towing or citations.

Motor Vehicle Rentals

If approved on the Travel Request, most expenses of renting a motor vehicle are reimbursable. The daily rate, applicable taxes, and other mandatory charges are reimbursable. An additional driver charge is reimbursable if it is incurred for an official State business reason. Also, collision damage waiver and loss damage waiver expenses are reimbursable if they are not already included in the contracted rate (see next paragraph). The following expenses are not reimbursable: liability insurance supplement; personal accident insurance; safe trip insurance; personal effects insurance.

The State Travel Management Program of the General Services Building and Procurement Commission has contracted with several vehicle rental agencies to provide special rental rates. Most rates include unlimited free mileage, free loss damage waiver, and free primary liability coverage. University employees traveling on official State business are encouraged to use these contracted rates when possible. A listing of the agencies and rates is available online at the Travel Website with detailed instructions for making your reservation at the state contracted rate.

A detailed receipt from the motor vehicle rental company, attached to the Travel Voucher, is required for reimbursement of motor vehicle rental expenses.

Incidental Expenses

Expenses for ground transportation such as taxi, limousine, subway, bus and other modes of mass transit are reimbursable, subject to the provisions of this section. All expenses
must be listed on the approved Travel Request and Travel Voucher. Limousine expenses are reimbursable if it was the least costly transportation available considering all relevant circumstances. If two or more State employees share a taxi or limousine, it is allowable for one employee to pay and be reimbursed for that full expense. Other official business expenses (e.g., parking, telephone calls, and copy services) are also reimbursable.

Receipts are requested, but not required, for reimbursement of these incidental expenses. If receipts are not provided, an explanation of the reimbursable expenses must be detailed on the Travel Voucher (including type of expense, date, amount and location).

The following are not reimbursable: expenses of a personal nature; expenses that would be incurred by the employee regardless of official State business travel; tips and gratuities.

Student and Other Group Travel

Employees traveling together are not considered group travel. Each employee must pay and claim his own expenses.

When a non-employee group, such as a student group, travels together, it may be more convenient for one person to pay and claim expenses of the entire group. In this case, the person paying the expenses will be responsible for submitting the Travel Request and the Travel Voucher. Receipts are required for all expenses of group travel, including except meals. The students may be given funds for their meals by signing individually on a list of names of all travelers that they have received a certain sum of money for their meals (not to exceed university per diem rates per day). If the sponsor pays for meals, the itemized receipts must be attached to the Travel Voucher in order to be reimbursed. However, the sponsor/advisor must provide documentation of how the funds were expended for meals. The sponsor/advisor should contact the travel manager in the Controller's Office in advance of the trip for instructions. Additionally, a list of names of all travelers must be attached to the Travel Request and Travel Voucher. Additionally, a list of all travelers must be included on the Travel Request and attached to the Travel Voucher.

If the group sponsor/advisor is an employee, he may request advance travel funds (not subject to the 50% limit) to pay expenses for the group (refer to the Advance Travel Funds section of this policy for procedures). The sponsor/advisor will be solely responsible for claiming reimbursement on the Travel Voucher, and for repayment of the advance travel funds. Sponsors/advisors of group travel are encouraged to contact the travel manager in the Controller's Office prior to the trip for helpful record keeping tips. Refer to the Group Travel Guidelines available online at the travel website.
No Educational and General Funds (account numbers 1-XXXXX) may be used to pay or reimburse travel expenses for students. All other provisions of this policy apply to student travel.

**Prospective Employees**

All provisions of this policy apply to prospective employees. Additional methods of payment are available to pay expenses incurred during the interview process and are listed on the Travel Request-Prospective Employee form (available online at the Travel Website).

**Non-Reimbursed Travel**

A travel request is required for any out-of-town University-related travel even if travel expenses are not reimbursed. Examples include travel:

- for which University funds are not approved;
- for which the traveler does not request or expect reimbursement; or
- which has been paid by another source.

In any event of absence from class, the instructor is not to dismiss class but is to arrange for an appropriate replacement. Moreover, only in extraordinary situations will travel be approved that will result in the instructor missing the same class more than twice in succession. Faculty members requesting to leave campus for travel that is not university-related should notify their department chair and dean; if the absence will be for a day or longer, faculty should file a leave of absence request but do not need to file a travel request.

**Source of Authority:** Texas State Comptroller; Vice President for Finance and Administration; State Travel Management Program of the Building and Procurement General Services Commission; Internal Revenue Service; Provost and Vice President for Academic Affairs

**Cross Reference:** Intercollegiate Athletics Policy Manual; State of Texas Travel Allowance Guide; Texas State Travel Directory; Internal Revenue Service, Publication 463; Texas Comptroller of Public Accounts Mileage Guide

**Responsible for Implementation:** Vice President for Finance and Administration

**Contact for Revision:** Controller
Forms: Travel Request, Travel Voucher, Texas Hotel Occupancy Tax Exemption Certificate, Point-to-Point Odometer Log, and Purchase Voucher (all available from University Printing Services and at the Travel Website); Report of State Agency Travel to Washington, DC, Corporate Travel Charge Card Application, and Travel Request-Prospective Employee (all both available online at the Travel Website); Corporate Travel Charge Card Application (available from travel manager in Controller's Office); Airfare Billing Form (available from University Printing Services)

Questions regarding the preparation of forms mentioned in this policy should be directed to the Controller's Office.
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USA Patriot Act (E-63)

Original Implementation: October 17, 2002
Last Revision: January 19, 2006 January 27, 2009

On October 26, 2001, President Bush signed into law 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). This Act makes it unlawful for certain individuals to work with specific biological agents, toxins and delivery systems. This act was extended through the USA Patriot Improvement and Reauthorization Act of 2005 (signed March 9, 2006).

SFASU 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, 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 will 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 has been modified to include a statement concerning the USA Patriot Act 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.

Source of Authority: Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001; Public Health Security and Bioterrorism Preparedness and Response Act of 2002

Cross Reference: Personnel Selection Procedures Packet for Faculty and Staff; Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and...
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Obstruct Terrorism Act of 2001; Public Health Security and Bioterrorism Preparedness and Response Act of 2002; USA Patriot Improvement and Reauthorization Act of 2005

**Responsible for Implementation:** President

**Contact for Revision:** Director of Human Resources

**Forms:** Statement of Eligibility to Handle Select Biological Agents or Toxins; Notice of Vacancy