

CHAPTER VI

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6.01 OPERATING BUDGETS

Operating Budgets for The University of Texas at Tyler shall be approved annually by the Board of Regents within the budget estimates of income prepared by the Vice President for Business Affairs and the President.

General policies for the budget preparation shall be recommended by the Chancellor to the Board and shall be followed in preparing the budgets. Instructions for details of budget preparation shall be furnished to the President by System Administration.

The President shall issue instructions and shall furnish forms to the budget-recommending officials. Their recommendations for salaries, maintenance and operation, equipment, travel, and other pertinent items shall be reviewed by the President. The budget as finally recommended by the President shall be forwarded to the Executive Vice Chancellor for Health Affairs, the Executive Vice Chancellor for Business Affairs, the Executive Vice Chancellor for Academic Affairs, and the Chancellor for further review and recommendation to the Board.

A copy of each budget, and any subsequent amendment thereto, shall be filed by the Executive Secretary to the Board with the Legislative Reference Library to be available for public inspection, and also with such other state offices as required by law.

6.02 RECORDS RETENTION

The University of Texas at Tyler recognizes the need for orderly management and retrieval of all official records and a documented records retention and destruction schedule congruent with all state and federal laws and related regulations. All official records (paper, microform, electronic or any other media) will be retained for the minimum periods stated in the institutional Records Retention Schedule as approved by the Texas State Library and Archives Commission and the Texas State Auditor's Office in compliance with *Texas Government Code*, Chapter 441. After a specified period of time, official records must be disposed of in a manner that is consistent with, and systematically carried out in accordance with, prescribed records and information management guidelines and procedures.

Duplicate files, duplicate copies, library materials and stocks of obsolete forms or pamphlets originally intended for distribution are not considered to be official records or record copies. Duplicates or nonrecord convenience copies should be destroyed when they cease to be useful and should never be kept longer than the official record copy.

A. Records Retention Schedule. The institutional Records Retention Schedule provides a list of official records for each department on the campus and prescribes the period of authorized retention. The schedule may be revised periodically to include a newly created record series, to change retention periods, or to delete a

record series no longer useful. Appropriate approval procedures must be followed and completed before any revisions would become effective.

All records are to be kept for the minimum periods listed in the Records Retention Schedule. Notwithstanding such minimum retention periods, all records must be maintained until all required audits are completed and should be retained beyond the listed retention periods when there is a probability of litigation either involving records or requiring their use.

B. Document Form. Documents may be maintained for the prescribed minimum retention periods in microform if the microform reproduction is accomplished pursuant to a procedure that complies with *Texas Government Code* Section 441.188; 13 *Texas Administrative Code* Sections 6.21-6.35.

C. Official Records. Official records kept only in electronic format must be identified in the Records Retention Schedule and must comply with the administrative rules of the Texas State Library (13 *Texas Administrative Code* Sections 6.91-6.99).

D. Vital Records. Vital records should be identified in the Retention Schedule and protected in accordance with *Texas Government Code* Section 441.183. State law defines a vital state record as any state record necessary to the resumption or continuation of state agency operations in an emergency or disaster, the recreation of the legal and financial status of the agency, or the protection and fulfillment of obligation to the people of the state.

E. Archival Records. Archival documents should be identified in the Records Retention Schedule and maintained in accordance with *Texas Government Code* Section 441.181. An archival state record is any state record that is retained permanently for lasting historical value and is used for research and reference by university offices and the general public. Archival or historical records are to be preserved in the archives of the institution.

F. Destruction of State Records. No state records may be destroyed without permission from the Texas State Library as outlined in *Texas Government Code* Section 441.187; 13 *Texas Administrative Code* Section 6.7. The Texas State Library has two established methods for obtaining legal authority to destroy state records. Procedures differ for records listed on an approved Records Retention Schedule and any records not listed.

A state record may not be destroyed if any litigation, claim, negotiation, audit, open records request, administrative review, or other action involving the record is initiated before the expiration of the retention period for the record set in the approved institutional Records Retention Schedule. If no action described above has been taken, records may be destroyed in accordance with the approved retention periods show in the Records Retention Schedule. Prior to disposal of official records, all state

and institutional records and information management regulations and policies must be followed.

State records not listed on the approved Records Retention Schedule may be destroyed after receiving approval by officials at the Texas State Library. Form RMD 10, Request for Authority to Dispose of State Records, must be completed and submitted to the Records Services Department of the Texas State Library to obtain approval for the destruction of public or official records. Unlisted records must not be destroyed until the State Library administrator approves and returns the form to the appropriate university officials.

G. Release of Records (Texas Public Information Act). Under provisions of the Texas Public Information Act (*Texas Government Code*, Chapter 552), the Chancellor and the President of each U.T. System component institution may delegate their authority as the custodians of records to Public Information Officers. The Chancellor has designated the Executive Vice Chancellor for Business Affairs as the Public Information Officer at System Administration. The Public Information Officer at each component is the institution's chief business officer unless another individual is so designated in accordance with the procedures outlined in Business Procedures Memorandum (BMP) No. 32-09-99.

Written requests for documents under the Texas Public Information Act should be directed to the Public Information Officer and handled immediately pursuant to the provisions of the Act and BPM 32-09-99.

H. Coordination with U.T. System Administration Records Management Officer. State law requires each state agency to appoint a Records Management Officer (RMO) to act as the agency's representative in all issues of records and information management policy, responsibility and statutory compliance pursuant to *Texas Government Code* Section 441.184. The RMO at System Administration serves as the liaison between the Texas State Library and the U.T. System component institutions and provides a clearinghouse for collection of institutional Records Retention Schedules to be submitted to the Texas State Library for approval and recertification in accordance with *Texas Government Code* Section 441.185; 13 *Texas Administrative Code* Sections 6.1-6.10. In addition to coordinating the U.T. Systems record retention programs, the RMO is available to assist component staff members who are assigned records and information management responsibilities.

6.03 TRAVEL

The DEFINE administrative system requires the creation and approval of an electronic Request for Travel Authorization (RTA) prior to the reimbursement of travel expenditures. The traveler's supervisor must approve a RTA. When using state funds, requests for travel outside the United States except for Canada and Mexico must be approved by U.T. Tyler's President and the Governor (Section 660.024 of the *Texas Government Code*). Travel to Canada and Mexico requires the prior approval of the

President and all expenses must be documented (no per diem). Travel to Washington, D.C. requires completion of a special form available from Financial Services and the prior approval of the Comptroller's Office. After an RTA has been approved and travel expenditures have been incurred, an electronic voucher payable (VP5) document can be created in DEFINE to reimburse travel expenditures. After the VP5 document has been created and approved, DEFINE prints a Purchase Voucher that must be signed by the traveler.

U.T. Tyler does not provide travel advances to travelers. In lieu of travel advances, U.T. Tyler's travel authorized agent centrally bills the university for airfare and rental cars. Also, U.T. Tyler Corporate Credit Cards are available to employees for business travel--corporate card applications are available in Human Resources. U.T. Tyler employees are personally liable for all Corporate Card charges; the card may not be used for personal use. Typically, an employee pays the Corporate Card bill after he or she receives travel reimbursement from the University. Corporate card privileges are revoked if an employee does not pay his or her bill timely. Travel rules and reimbursement limits are summarized in the Summary of Laws, Regulations, Policies, and Procedures of the Management Responsibilities Handbook.

6.04 INTERNAL CONTROL

Department heads and budget authorities are responsible for the design, execution, and effectiveness of a system of internal controls in their departments and budget units that provides reasonable assurances that operations are effective and efficient; assets are safeguarded; financial information is reliable; and laws, regulations, policies and procedures are complied with. At the beginning of each fiscal year, department heads and budget authorities are required to attend a two-hour Systemwide internal control training session. The training session presents the five essential components of an effective internal control system which are summarized in the Summary of Management Responsibilities in the Management Responsibilities Handbook.

6.05 INVENTORY

Each budget authority is responsible for the capital equipment inventory acquired and used in his/her area. This responsibility includes using the appropriate object code when acquiring new capital equipment. The budget authority is also responsible for making sure that someone from Financial Services tags each piece of equipment that costs over \$1,000 (\$500 for controlled items); taking a Physical Inventory of all items when instructed by Financial Services; returning with any corrections noted; and processing a transfer of Inventory report when any equipment is moved from the area. The original transfer form should be sent to Financial Services and a copy retained by the budget authority. If any U.T. Tyler equipment is removed from the University, the proper form for removal of equipment must be filled out and a copy sent to Financial Services. This form must be signed each year and attached to the physical inventory report.

6.06 INSTALLMENT TUITION

All students must pay tuition in accordance with the *Texas Education Code*. The Code provides for two methods of payment: 100% at the time of registration or the installment method. The installment method is only available in the Fall and Spring semesters. A down payment of 50% is due at registration. The remaining 50% is due in two equal payments prior to the sixth and eleventh weeks of the semester.

6.07 CONTRACTS

A. Approval. All U. T. Tyler contracts must be reviewed in accordance with U.T. System's Office of General Counsel's guidelines and signed by U.T. Tyler's Vice President for Business Affairs.

B. Policy on Contracts with Minority and Female-Owned Businesses. To comply with the *Texas Education Code* (Section 61.0571), it is the policy of The University of Texas at Tyler to pursue procurement and contract activities with minority and female-owned small businesses.

"Minority or female-owned small businesses" means an enterprise:

- (1) which is independently owned and operated, formed for the purpose of making a profit, and has fewer than 100 employees or less than \$1,000,000 in annual gross receipts; and
- (2) at least 51% of which is owned or controlled by one or more socially and economically disadvantaged persons who are socially disadvantaged because of their identification as members of certain groups, including women.

6.08 PROFESSIONAL SERVICES, CONSULTANT SERVICES AND PAYMENTS TO OTHER INDIVIDUALS

A. Approval. Payments will only be made in accordance with the terms of an approved contract. All contracts except Authorizations for Professional Services (APS) forms must be signed by the Vice President for Business Affairs prior to the service being performed. See below for policy regarding APS forms. In accordance with *Texas Government Code*, Chapter 2254 specifically empowers each agency to purchase professional services, under the Professional Services Procurement Act, and consulting services, under the Consultants Act. Therefore, these procurements are exempt from General Services Commission review authority. Each agency has the responsibility for proper procurement and resolving any complaints or protests. Payments using state funds or state and federal grant funds will be made in accordance with Competitive Bidding policy. In addition, all purchases over \$25,000 must be posted on the Texas marketplace for a period of up to twenty-one (21) days.

B. Professional Services. This means services within the scope of practice as defined by state law. These services are provided in connection with the professional employment or practice of a person who is licensed and in the professional employment or practice as follows:

- Accounting--a certified public accountant (CPA);
- (1) Architecture--an architect;
- (2) Land surveying--a land surveyor;
- (3) Medicine--a physician, including a surgeon;
- (4) Optometry--an optometrist;
- (5) Professional engineering--a professional engineer; or
- (6) Real estate appraising--a state certified/licensed real estate appraiser.
- (7) Landscape architect
- Professional Nurse

(8) Professional service contracts are subject to Regents Rules and Regulations Part I, Chapter 1, Section 9; Part I, Chapter 3, Section 4; and Part II, Chapter 4, Sections 1, 3, 4 and 5.

Contracts for architectural and engineering services related to construction projects and other ancillary construction service contracts are subject to Regents Rules and Regulations Part II, Chapter 8.

C. Consultant Services. A consulting service is defined by *Texas Government Code*, Chapter 2254 as "the human service of studying or advising an agency under a contract that does not involve the traditional relationship of employer and employee." An agency may contract with a private consultant only if

- there is a substantial need for the service, and
- the agency cannot adequately perform the service with its own personnel or through another agency.

(1) The engagement of consultants must be approved in advance by the President. All consulting contracts exceeding \$15,000 must be reviewed and approved by the Vice Chancellor for Academic Affairs. An amendment, renewal or extension of a major consulting services contract, or an amendment, renewal or extension of a consulting services contract which is not a major consulting services contract (\$15,000 or more) but will become one because of the amendment, renewal or extension, must be reviewed and approved by the Vice Chancellor for Academic Affairs prior to executing the requirements of *Texas Government Code* Section 2254.030 ("Renewal; Amendment; Extension"). A copy of such contracts in the amount of \$15,000 or less shall be provided to the Vice Chancellor for Academic Affairs for information upon award. Business Procedure Memoranda #43 should be followed in the retention of consultants.

This policy applies to all consultant contracts entered into by U.T. Tyler that are funded or paid from monies

- (1) appropriated by the Legislature;
- (2) derived from the exercise of the statutory duties of a state agency (institution of higher education); and
- (3) received from the federal government, unless a federal law or regulation conflicts with the application of Texas Government Code Sections 2254.021-2254.040.

All consulting service contracts required to be published in the Texas Register must be submitted to the Texas Secretary of State through the U.T. System Office of the Board of Regents.

None of the funds appropriated to an institution of higher education may be used to enter into a consultant service contract with any individual who has been employed previously by that institution within the past twelve months. In addition, *Texas Government Code* Section 2254.033 imposes certain disclosure requirements for any proposed consultant who was previously employed during the preceding twenty-four months.

All consulting service contracts entered into by U.T. Tyler shall be in accordance with the Code of Ethics and established purchasing/contracting practices and procedures.

D. Payments to Other Individuals (including Speakers). Payments to U.T. Tyler employees for services unrelated to or over and above their regular job duties must be approved by the Provost and Vice President for Academic Affairs prior to the engagement of such services on an Authorization for Professional Services form. Only exempt salaried employees may be paid honoraria. Non-exempt classified employees are required to submit a time sheet for calculation of overtime for work in excess of their current appointment. All payments to employees are processed through payroll and subject to withholding and employment taxes. (Note: Services unrelated to or over and above regular job duties are to be done on a one time only basis. Services performed on a regular basis require an employee appointment).

Payments using state funds or state and federal grant funds will be made in accordance with Competitive Bidding policy. Payments to individuals other than U.T. Tyler employees may be approved by the department head or budget authority after the department head or budget authority (1) completes a U.T. Tyler Authorization for Professional Services form and an Employee/Independent Contractor Classification Worksheet; and (2) forwards both forms to Financial Services for review and approval. Both forms are needed to comply with Internal Revenue Service (IRS) rules and regulations. If the individual is classified as an independent contractor, a Payee Information Form must be completed. The forms will then be forwarded to Provost and Vice President for Academic Affairs for final approval and signature.

6.09 "BEST VALUE" PROCUREMENT

Purpose: Section 51.9335, Education Code, authorizes institutions of higher education to use "best value" procurement processes which provide greater autonomy and flexibility in the procurement of goods and services. This policy provides guidelines for "best value" procurement.

Audience: This policy impacts all employees who participate to any extent in the procurement of goods or services, including but not limited to accumulation of information, preparation of solicitation and related procurement documentation, and selection of goods or service providers.

Policy: The University shall conduct all procurement activities in a manner which assures that each procurement of goods or services provides "best value" to the institution. "Best value" means the optimum combination of economy and quality that is the result of fair, efficient, and practical procurement decision-making and which achieves the institution's procurement objectives. Each procurement of goods or services shall be made using a method which results in "best value" to the institution, including but not limited to:

- (1) competitive bidding;
- (2) competitive sealed proposals;
- (3) catalogue purchase (i.e., qualified information system vendor (QISV) catalogue (ref. Chapter 2157, Government Code)); or (4) group purchasing programs;

and shall be awarded based on those criteria which provide "best value" to the institution. The procurement methods and selection criteria used in the solicitation and award of procurement transactions shall be determined by the institution's purchasing office of the Financial Services department in accordance with all applicable federal, state and local laws, rules and regulations, the Regents' Rules and Regulations, and best procurement practices.

Process: All procurements shall be made in accordance with all applicable federal, state and local laws, rules and regulations, the Regents' Rules and Regulations and best procurement practices. Subject to the approval of the U.T. System Office of Academic or Health Affairs and Office of General Counsel and the institution's Vice President for Business Affairs, the institution's purchasing office of the Financial Services department shall establish and implement detailed procedures and guidelines for the solicitation and award of all procurements of goods and services to ensure compliance with all applicable federal, state and local laws, rules and regulations, the Regents' Rules and Regulations, and best procurement practices.

Assistance: All questions concerning this policy should be directed to the institution's purchasing office of the Financial Services department.

Reference: Education Code, Section 51.9335

Regents' Rules and Regulations, Part Two, Chapter IV

6.10 TELEPHONE USAGE

It should be noted that Section 39.02, *Texas Penal Code*, makes it a crime for an officer, agent or employee of a governmental agency to misuse government property, services, personnel, or other thing of value belonging to the state with the intent to obtain a benefit or to harm another person. The Texas Ethics Committee is authorized to issue opinions regarding the application of Section 39.02 to specific factual situations.

It has ruled in *Texas Ethics Commission Advisory Opinion No. 134 (1993)* that the incidental personal use of state telephones that does not result in additional cost to the state is not a violation of Section 39.02(a)(2) of the *Texas Penal Code*.

Further, according to the publication *Ethics and The University of Texas System: A Brief Practical Guide*: "Telephones and e-mail are to be used for institutional purposes. Incidental use for local personal calls or messages not interfering with work responsibility, however, is not a misapplication of state resources. Personal long distance telephone calls should not be charged to the institution and must be reimbursed by the employee if charged inadvertently. U. T. telephone logs and e-mail are public property and may be subject to open information requests."

The University of Texas at Tyler adheres to this policy and employs a call accounting system to track all long distance telephone calls made from University equipment. Monthly statements that include the place of every call, the time of call, the duration of call, and the phone extension from which calls are made are sent to each department on campus. The statements are then reviewed and verified by both the department head and employees who allegedly made long distance calls. Any questions concerning the statement are referred to the Office of Information Resources for further review.

U. T. Tyler's Telecommunications Service Center operates in the cost-recovery mode and charges are made to departmental accounts for various services relating to the telephone system. The charges for the services are shown in the appropriate table below. Long distance charges are billed at the rate of 17.5 cents per minute.

Monthly Charges for Phone Equipment

<i>Item</i>	<i>Monthly Cost</i>
Digital Phone	\$35
Analog Phone	\$20
FAX	\$20
Modem	\$20

New Installation Rates (no cable currently installed)

<u>Type</u>	<u>Price</u>
Single Line Analog Telephone, FAX, or Modem	\$185.00

Multi-Line Digital	\$250.00
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Type
 Single Line Analog Telephone, FAX, or
 Modem
 Multi-Line Digital Telephone

Type
 Change from
 Digital to Analog
 Change from
 Analog to Digital

	<i>Price</i>
	\$85.00
	\$150.00

	<i>Price</i>
	\$50.00
	\$85.00
<i>Type</i>	<i>Price</i>
Moving Existing Service to New Location	\$35.00
Moving Existing Service to New Location	\$75.00
Programming Changes on Existing Set	\$20.00

6.11 CONTINUING EDUCATION RECOVERY POLICY

Pursuant to the *Texas Education Code*, section 54.545, each person registered in an extension, correspondence or other self-supporting course at The University of Texas at Tyler will be charged a reasonable fee set in an amount sufficient to recover the costs of providing the course. All proposed fees must be submitted to the Provost and Vice President for Academic Affairs for approval. All proposed fees or changes in previously approved fees must receive approval prior to assessment.

The cost basis for a proposed fee should include all incremental costs of creating, marketing and delivering the course including salaries and applicable benefits for staff, faculty, teaching

assistants, seminar speakers, tutors, graders and other instructional personnel; travel costs for staff and instructional personnel; all facility charges including appropriate overhead charges; charges for maintenance and necessary upgrades of required equipment and software used by course participants or required to support the course offering; charges for textbooks, materials and supplies if provided directly to participants; miscellaneous costs including postage, fax and telephone expenses; and, for certain courses, the cost of supplemental seminars, events and activities required of participants.

6.12 THE UNIVERSITY OF TEXAS SYSTEM: FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST STATEMENT

POLICY. It is the policy of the State of Texas and The University of Texas System that employees may not have a direct or indirect interest, financial or otherwise, in a corporation or business, engage in a professional activity, or incur an obligation of any nature that is in substantial conflict with or might reasonably tend to influence the discharge of the employee's official duties.

WHO IS REQUIRED TO FILE. (a) Each employee who is authorized to execute contracts on behalf of the U.T. System or its institutions, or who exercises discretion with regard to the award of contracts or other pecuniary transactions, shall file this financial disclosure and conflict of interest statement disclosing the requested information regarding the filer, the filer's spouse, and the filer's dependent children.

(b) An employee "exercises discretion" if the employee makes the final decision concerning the award of contracts or other pecuniary transactions, or if the employee's job duties include making a recommendation that is considered by the final decision-maker in the decision to award the contract.

EXEMPTIONS. The Chancellor of the U.T. System and the Presidents of each institution in the System are not required to file this financial disclosure statement. They are required to file a personal financial statement under Chapter 572, Government Code, as well as a University of Texas System Disclosure Statement specifically for the Chancellor and Presidents.

FILING DEADLINE. This financial disclosure statement must be filed not later than April 30 of each year, except that newly-hired employees must file this statement not later than the 45th day after the first day of employment.

WHERE THE STATEMENT IS FILED. (a) Each employee of the U.T. System who is required to file this financial disclosure statement must file it with the head of the department in which the employee works. The department head must then review and

sign the statement and transmit it to the Executive Vice Chancellor or Vice Chancellor, as applicable, for review. The Executive Vice Chancellor or Vice Chancellor must then file the statement with the Chancellor.

(b) Each employee of a U.T. System institution who is required to file this financial disclosure statement must file it with the head of the department in which the employee works. The department head must then review and sign the statement and file it with the President of the institution.

(c) A filer who does not have a department head must file the statement with the Chancellor or the President of the institution, as applicable, for review and signature.

INSTRUCTIONS. This financial disclosure statement must be completed either in ink or typewritten. Attach pages of this size if additional space is needed on any response and identify each response by the part to which it relates.

INFORMATION ABOUT FAMILY MEMBERS. (a) This financial disclosure statement must include information about you as well as your spouse and dependent children.

(b) For purposes of this statement, a child is a “dependent child” if you provided more than 50 percent of the child’s support during the preceding calendar year, and includes an adopted child or stepchild.

INCLUSION IN *HANDBOOK OF OPERATING PROCEDURES.* Each U.T. System institution shall include this policy in its *Handbook of Operating Procedures*.