



Contracts Requiring UT System Approval

The term “**contract**” means contracts of any kind or nature, including, contracts, agreements, purchase orders, vouchers, binding letters or intent, and memoranda of understanding. [ref. Section 3, Rule 10501 of the Regents’ Rules]

Once a contract has been approved by [Procurement Services](#) and then reviewed and approved by the [Office of Legal Services](#), some contracts must be approved by the UT System’s Board of Regents. A contract needs to go to the UT System at least five (5) months before the anticipated start date of the contract.

Contracts Requiring UT System Approval

Contracts Requiring Board Approval	Any Amount	More than 25% of Value of Original Contract	Increases Value of Original Contract to More than \$1 million	Board Approval Threshold More than \$5 Million	OGC Approval Threshold More than \$1 Million
Contracts, Purchase Orders, Vouchers, Binding Letters of Intent and Memoranda of Understanding, General [ref. Sections 3 and 3.1.1, Rule 10501 of the Regents’ Rules]				X	X
Contracts, Amendments, Extensions or Renewals [ref. Sections 3 and 3.1.2, Rule 10501 of the Regents’ Rules]		X	X		
Contracts, with a Foreign Government or an Agency thereof [ref. Section 3.2, Rule 10501 of the Regents’ Rules]	X				
Contracts, Involving Certain Uses of Institution Names, Trademarks, or Logos in association with the provision of a material medical-related service or physical improvements located on property not owned or leased by the contracting UT institution [ref. Section 3.3 Rule 10501 of the Regents’ Rules]	X				
Contracts, Significant contracts identified by UT presidents and executive officers that are of <i>such significance</i> to require the prior approval of the Board [ref. Section 1.1, Rule 10501 of the Regents’ Rules]	X				
Contracts with Certain Officers [ref. Section 3.4, Rule 10501 of the Regents’ Rules]	X				
Insurance Settlements [ref. Section 3.5, Rule 10501 of the Regents’ Rules]				X	
Purchases, Sales or Leases of Real Property [ref. Sections 3 and 3.1, Rule 10501 and Rule 70301 of the Regents’ Rules]				X	
Settlements of Disputes [ref. Section 3.6, Rule 10501 of the Regents’ Rules]				X	



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Board of Regents' Rule 10501

Exceptions – Do Not Require Board Approval:

Sec. 2 Delegation

2.1 Compliance with Special Instructions. All authority to execute and deliver contracts, agreements, and other documents is subject to these Rules and Regulations and compliance with all applicable laws and special instructions or guidelines issued by the Chancellor, an Executive Vice Chancellor, and/or the Vice Chancellor and General Counsel. Special instructions or guidelines by the Chancellor, an Executive Vice Chancellor, or the Vice Chancellor and General Counsel may include without limitation instructions concerning reporting requirements; standard clauses or provisions; ratification or prior approval by the Board of Regents or the appropriate Executive Vice Chancellor; review and approval by the Office of General Counsel; and recordkeeping.

2.2 Contracts Not Requiring Board Approval. The following contracts or agreements, including purchase orders and vouchers, do not require prior approval by the Board of Regents.

2.2.1 Construction Projects. Contracts, agreements, and documents relating to construction projects previously approved by the Board of Regents in the Capital Improvement Program and Capital Budget or Minor Projects.

2.2.2 Construction Settlements. All settlement claims and disputes relating to construction projects to the extent funding for the project has been authorized.

2.2.3 Intellectual Property. Legal documents, contracts, or grant proposals for sponsored research, including institutional support grants, and licenses or other conveyances of intellectual property owned or controlled by the Board of Regents as outlined in [Rule 90101](#) of these Rules.

2.2.4 Replacements. Contracts or agreements for the purchase of replacement equipment or licensing of replacement software or services associated with the implementation of the software.

2.2.5 Routine Supplies. Contracts or agreements for the purchase of routinely purchased supplies or equipment.

2.2.6 Approved Budget Items. Purchases of new equipment or licensing of new software or services associated with the implementation of the software,



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identified specifically in the institutional budget approved by the Board of Regents.

2.2.7 Group Purchases. Purchases made under a group purchasing program that follow all applicable statutory and regulatory standards for procurement.

2.2.8 Loans. Loans of institutional funds to certified nonprofit health corporations, which loans have been approved as provided in The University of Texas System Administration Policy [UTS166, Cash Management and Cash Handling Policy](#) and The University of Texas System Administration Policy [UTS167, Banking Services Policy](#) concerning deposits and loans.

2.2.9 Certain Employment Agreements. Agreements with administrators employed by the U. T. System or any of the institutions, so long as such agreements fully comply with the requirements of *Texas Education Code Section 51.948* including the requirement to make a finding that the agreement is in the best interest of the U. T. System or any of the institutions, except those that require approval by the Board of Regents under [Rule 20204](#).

2.2.10 Energy Resources. Contracts or agreements for utility services or energy resources and related services, if any, which contracts or agreements have been approved in advance by the Chancellor or the Chancellor's delegate.

2.2.11 Library Materials and Subscriptions. Contracts or agreements for the purchase or license of library books and library materials.

2.2.12 Athletic Employment Agreements. Contracts, contract revisions, and contract extensions with athletic directors and coaches except those with total annual compensation of \$1 million or greater or those with proposed multiyear contracts totaling \$1 million or greater.

(a) Contracts, contract revisions, and contract extensions for individuals with total annual compensation of \$1 million or greater or those with proposed multiyear contracts totaling \$1 million or greater may be negotiated and executed by the President following consultation with the Chancellor, the Executive Vice Chancellor for Academic Affairs, the Vice Chancellor and General Counsel, and the Chairman of the Board of Regents and additional consultation, as requested by the Chairman, to determine if special circumstances require an offer or contract change to be made prior to a scheduled meeting of the Board and if the proposed offer or contract change is in the best interest of the institution.



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(b) Such special circumstance contracts shall be submitted to the Board for formal approval via the Consent Agenda at the next appropriate meeting of the Board as required by [Rule 20204](#) of these Rules.

(c) Alternatively, the President may seek prior approval of the Board to negotiate with a slate of identified individuals within defined contract terms and proceed, if authorized, to hire an athletic director or coach and submit a contract for formal approval by the Board as set out in (b) above.

(d) It is the expectation of the Board, the Chancellor, and the Executive Vice Chancellor for Academic Affairs that each President will assure the Chairman, the Chancellor, and the Executive Vice Chancellor for Academic Affairs are provided advance notice of proposed hirings and potential terms of employment related to such contracts in advance of an offer or publication or public distribution of information to allow for meaningful consultations and/or approvals.

2.2.13 Athletic Conference Memberships. Contracts related to joining or changing an institution's athletic conference membership may be negotiated and executed by the President following consultation as required by Subsection 2.2.12, above, for the determination of special circumstances. Following such consultation, such special circumstance contracts shall be submitted to the Board for formal approval via the Consent Agenda at the next appropriate meeting of the Board.

2.2.14 Athletic Games. Contracts or agreements related to athletic games, including postseason bowl games. If the contract or agreement exceeds \$1 million in value, the contract or agreement must be approved by the Executive Vice Chancellor for Academic Affairs and be in a form acceptable to the Vice Chancellor and General Counsel.

2.2.15 Property or Casualty Losses. Contracts or agreements with a cost or monetary value to the U. T. System or any of the institutions in excess of \$1 million but not exceeding \$10 million associated with or related to a property or casualty loss that is expected to exceed \$1 million may be approved, executed, and delivered by the Chancellor. The Chancellor shall consult with the institutional president, if applicable.

2.2.16 Health Operations. Contracts or agreements for the procurement of routine services or the purchase or lease of routine medical equipment, required for the operation or support of a hospital or medical clinic, if the services or equipment were acquired through approved procurement procedures or competitively procured.



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2.2.17 Increase in Board Approval Threshold. An institution's dollar threshold specified in Section 3.1 may be increased to up to \$5 million by the Vice Chancellor and General Counsel, after consultation with the General Counsel to the Board of Regents, if it is determined that the institution has the expertise to negotiate, review, and administer such contracts. Unless approved in advance by the Vice Chancellor and General Counsel, any increase will not apply to contracts or agreements designated as Special Procedure Contracts by the Vice Chancellor and General Counsel.

2.2.18 Group Employee or Student Benefits. Contracts or agreements for uniform group employee or student benefits, including those offered pursuant to [Chapter 1601, Texas Insurance Code](#).

2.3 Delegation of Other Matters.

2.3.1 Institutional Agreements for Dual Credit. The Board of Regents delegates the authority to approve and execute dual credit partnership agreements for the academic institutions to the presidents.

2.3.2 Construction Settlements. The Board of Regents delegates authority to execute all documents necessary or desirable to settle claims and disputes relating to construction projects to the System Administration or institution official designated in the construction contract to the extent funding for the project has been authorized.

2.3.3 Memorandum of Understanding with University-Affiliated Foundation. The Board of Regents delegates authority to execute a Memorandum of Understanding between U. T. System or a U. T. System institution and an affiliated foundation to the institutional president or the Chancellor after approval by the appropriate Executive Vice Chancellor and the Vice Chancellor and General Counsel (see [Rule 60305](#)).

2.3.4 Strategic Plan for Research. The Board of Regents delegates to the Chancellor the authority to submit to the Texas Higher Education Coordinating Board the strategic plan for research for each U. T. academic institution designated by the Coordinating Board as a research university or emerging research university.

2.4 Signature Authority. The Board of Regents delegates to the Chancellor or the president of an institution authority to execute and deliver on behalf of the Board contracts, agreements, and other documents of any kind or nature, including without limitation licenses issued to the Board or an institution. In addition to other primary



delegates the Board assigns in the Regents' *Rules and Regulations*, the Board assigns the primary delegate for signature authority for the following types of contracts.

2.4.1 System Administration and Systemwide Contracts. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to execute and deliver on behalf of the Board contracts or agreements:

- (a) affecting only System Administration,
- (b) binding two or more institutions of the U. T. System with the concurrence of _____ the institutions bound, or
- (c) having the potential to benefit more than one institution of the U. T. System _____ so _____ long as participation is initiated voluntarily by the institution.

2.4.2 Contracts Between or Among System Administration and Institutions. The Board of Regents delegates to the Executive Vice Chancellor for Business Affairs authority to execute on behalf of the Board contracts or agreements between or among System Administration and institutions of the U. T. System for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.

2.4.3 Contracts with System Administration or Between or Among Institutions. The Board of Regents delegates to the president of an institution authority to execute on behalf of the Board contracts or agreements with System Administration or between or among institutions of the U. T. System for resources or services. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished.

2.4.4 Contracts for Legal Services and [Filing of Litigation](#). The Board of Regents delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board contracts for legal services and such other services as may be necessary or desirable in connection with the settlement or litigation of a dispute or claim after obtaining approvals as may be required by law. Litigation to be instituted under these contracts on behalf of the Board, System Administration, or an institution of U. T. System must have the prior approval of the Vice Chancellor and General Counsel.

2.4.5 Settlement of Disputes. Except as provided in Section 3.6 below, the Board of Regents delegates to the Vice Chancellor and General Counsel authority to execute and deliver on behalf of the Board agreements settling any claim, dispute,



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or litigation. The Vice Chancellor and General Counsel shall consult with the institutional president and the appropriate Executive Vice Chancellor or Chancellor with regard to all settlements greater than \$150,000 that will be paid out of institutional funds. Settlements greater than \$1,000,000 will require the approval of the Board as outlined in Section 3.6 below. The Vice Chancellor and General Counsel shall consult with the Office of External Relations, Communications and Advancement Services with respect to settlement of will contests and other matters relating to gifts and bequests administered by that Office.

Require Board Approval:

Sec. 3 Matters Not Delegated. The following contracts or agreements, including purchase orders or vouchers and binding letters of intent or memoranda of understanding, must be submitted to the Board for approval or authorization:

3.1 Contracts Exceeding the Institutional Threshold (see chart below).

3.1.1 All contracts or agreements, with a total cost or monetary value to the U. T. System or any of the institutions of more than the Institutional Threshold, unless exempted in Section 4 below. The total cost or monetary value of the contract includes all potential contract extensions or renewals whether automatic or by operation of additional documentation. For purposes of this Rule, any contract with unspecified cost or monetary value with a term of greater than four years is presumed to have a total value of greater than the Institutional Threshold.

3.1.2 Any amendment, extension, or renewal that increases the cost or monetary value of the original contract to more than the Institutional Threshold must be submitted to the Board for approval or authorization. Any amendment, extension, or renewal with a cost or monetary value that exceeds 25% of the cost or monetary value of the original contract approved by the Board must be submitted to the Board for approval.

3.2 Contracts with Foreign Governments. Contracts or agreements of any kind or nature, regardless of dollar amount, with a foreign government or agencies thereof, except affiliation agreements and cooperative program agreements, material transfer agreements, sponsored research agreements and licenses, or other conveyances of intellectual property owned or controlled by the Board of Regents prepared on an approved standard form or satisfying the requirements set by the Office of General Counsel, or agreements or contracts necessary to protect the exchange of confidential information or nonbinding letters of intent or memorandums of understanding executed in advance of definitive agreements each as reviewed and approved by the Vice Chancellor and General Counsel.



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3.3 Contracts Involving Certain Uses of Institution Names, Trademarks, or Logos. Except as specifically allowed under existing contracts entered into between the Board of Regents and nonprofit entities supporting a U. T. System institution, agreements regardless of dollar amount that grant the right to a non-U. T. entity to use the institutional name or related trademarks or logos in association with the provision of a material medical-related service or in association with physical improvements located on property not owned or leased by the contracting U. T. System institution.

3.4 Contracts with Certain Officers. Agreements, regardless of dollar amount, with the Chancellor, a president, a former Chancellor or president, an Executive Vice Chancellor, a Vice Chancellor, the General Counsel to the Board, the Chief Audit Executive, or the Chief Compliance and Risk Officer, which are subject to the applicable provisions of *Texas Education Code Section 51.948* and *Regents' Rules and Regulations, Rule 20101*.

3.5 Insurance Settlements.

(a) Settlements in excess of \$1million must have the approval of the Board.

(b) Settlement claims from insurance on money and securities or fidelity bonds of up to \$1 million shall be approved by the Executive Vice Chancellor for Business Affairs.

(c) If a loss is so extensive that partial payments in excess of \$1 million are necessary, the Chancellor is delegated authority to execute all documents related to the partial payment or adjustment. Final settlement of claims in excess of \$1 million will require approval by the Board.

3.6 Settlement of Disputes. Settlements of any claim, dispute or litigation for an amount greater than \$1 million require approval. The settlement may also be approved by the appropriate standing committee of the Board of Regents. The Vice Chancellor and General Counsel shall consult with the institution's president and appropriate Executive Vice Chancellor or Vice Chancellor with regard to all settlements in excess of \$150,000 that will be paid out of institutional funds.

3.7 Power to Authorize Expenditures. No expenditure out of funds under control of the Board shall be made and no debt or obligation shall be incurred and no promise shall be made in the name of the System or any of the institutions or of the Board of Regents by any member of the respective staffs of the U. T. System or any of the institutions except:

3.7.1 In accordance with general or special budgetary apportionments authorized in advance by the Board of Regents and entered in its minutes; or



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3.7.2 In accordance with authority specifically vested by the Board of Regents in a committee of the Board; or

3.7.3 In accordance with authority to act for the Board of Regents when it is not in session, specifically vested by these *Rules and Regulations* or by special action of the Board.