Section III ADMINISTRATION AND FINANCE

51 FINANCE

51.01 Contracts

No person has the authority to bind the university contractually except in accordance with the policy. Complete, accurate and timely due diligence must be performed on any contract, agreement, transaction or other arrangement involving the commitment of financial or other university resources. Such due diligence should be designed to ensure that the university's interests are protected, that it receives value for money, and that there is transparency in decision-making.

51.01.1 Board Approval (51.01.1 Amended -10/26/2012)

In an open meeting, the board must approve:

A. contract for the purchase, gift or acquisition of real property:

B. contracts for the sale of real property of conveyance of any rights in real property, other than residential leases, and licenses which do not transfer any rights in property;

C. as lessee, all real estate leases, lease renewals and extension, if the obligation of the lease is equal to or greater than the submittal threshold requiring Texas Higher Education Coordinating Board action;

D. contracts with any entity in which a member of the Board of Regents holds stock and/or serves as a director;

E. banking and investment agreements;

F. any single procurement contract for any equipment, goods or services, not specified above, which is expected to exceed $250,000 in a fiscal year with the exception of contracts that fall within and are a part of approved construction project set forth in Section 73.03;

G. any extension, modification, or renewal of an existing contract which is expected to exceed $250,000 in a fiscal year;

H. any series of contracts which are initiated in the same department for the same goods or services with the same party within a fiscal year, that, if combined in one contract, would require board approval or reporting;

I. any other contract the board might designate as having significant importance to require board approval.

51.01.2 Delegation of Authority for Contracts Requiring Board Approval

A. **Delegation to the President.** The president shall execute all contracts approved by the board.

B. **Delegation by the President.** All delegations of contracting authority shall be in writing, approved by the president, and filed with the board. No employee, officer, or agent of the university shall have the authority to execute contracts unless delegated such authority pursuant to this policy.

C. **General Counsel Review.** All contracts must be reviewed and approved as to form by the Office of the General Counsel before execution. The Office of the General Counsel may approve uniform contracts which, thereafter, may be used without additional review and approval by the Officer of the General Counsel if no changes or alterations have been made to the contract or those that require board approval.

D. **Construction Contract Review.** The office of the vice president for administration and finance shall review all plans, specification and bidding documents for the compliance with applicable state laws governing their areas of responsibility prior to being released for bidding.

E. **Emergencies.** In the event of a bona fide emergency, as declared by the chairman of the board upon consultation with the president may enter into a contract that would otherwise require board approval under this policy, provided that the president submits such contract to the board for ratification at the next regular meeting of the board.

51.01.3 Delegation of Authority for Contracts not Requiring Board Approval

A. **Delegation to the President.** The president may negotiate, execute, and administer all contracts and related necessary legal documents and instruments not requiring board approval according to section 51.01.1.

B. **Delegation by the President.** The president may delegate the authority granted by section 51.01.3A to administrative officers, according to their areas of responsibility. The president may approve the further delegation of such authority by university administrative officers as is appropriate.

C. **General Counsel Review.** All contracts must be reviewed and approved as to form by the Office of General Counsel before execution. The Office of General Counsel may approve uniform contract which, thereafter, may be used without additional review and approval by the Office of General Counsel if no changes or alterations have been made to the contract.

D. **Construction Contract Review.** When total project costs of a new construction and/or renovation project are $250,000 or less, the office of the vice president for administration and finance shall ensure that all plans, specifications, and bidding documents are reviewed for compliance with applicable state laws prior to being released for bidding. The university's office of the vice president for administration and finance shall manage such projects, including review of all plans, specifications and bidding documents for compliance with applicable state laws prior to being released for bidding.

51.01.4 Reporting to the Board

Following the end of each fiscal year, a report shall be submitted to the board listing all professional services or consulting contracts where total compensation from all university sources to a single entity exceeded $250,000 during the fiscal year.

51.02 Competitive Bidding

The purpose of this policy is to achieve efficiency in the expenditure of university funds for goods and services, to prevent favoritism or the appearance of favoritism, to secure the best goods and services at the lowest practical cost, and to stimulate competition.

51.02.1 Applicability

A. This policy applies to all contracts that require the approval of the board under Board Policy 51.01.1.

B. This policy shall not be construed as enlarging or restricting the competitive bidding requirements imposed by state or federal law or administrative rule, regulation, or order.

C. This policy shall not apply to any situation where the service or product to be contracted for is unique and/or is available from only one source or where procurement is allowed without competitive bidding standards as allowed by law.

51.02.2 Competitive Bidding Required

A. The board will only enter into a contract when the contracting party was selected pursuant to a competitive bidding process designed to fulfill the purposes of this policy except when otherwise prohibited by law.
B. This policy does not manage any particular form of bidding process for every contract. However, any such process must meet the following minimum requirements:

1. when the subject matter warrants, the process should permit a reasonably objective analysis of bidding responses;

2. the process should provide enough advance information through invitations to bid or requests for proposals so as to invite bids from as many eligible sources as practicable;

3. when appropriate, based on subject matter, the process should invite creativity in the delivery of goods or services;

4. The process should recognize qualitative as well as quantitative comparisons of responses or proposals; and

5. No evaluation or comparison of bids should be conducted until the time has expired for receiving all bids or requests for proposals.

51.03 Travel Reimbursement (51.03 Amended- 4/10/2026)

Faculty and Staff

The board delegates to the president or his or her designee the authority to approve all travel reimbursement for faculty and staff from appropriated or other funds. All such reimbursements must comply with University and State of Texas rules and regulations on travel (See TSU MAPPs 03.02.10 and 03.02.11; General Appropriations Act, Article IX, Part 5; Chapter 660 of the Texas Government Code, referred to as the Travel Regulations Act; 34 Texas Administrative Code §5.22, referred to as State of Texas Travel Guidance).

Board of Regents

Overview

The Texas Education Code allows Texas Southern University to pay for the regents' actual expenses incurred in the discharge of their duties from any available funds of the University. See Tex. Educ. Code §106.15.

The term "in the discharge of their duties" shall mean the accomplishment of board duties as defined by Section 51.352 of the Texas Education Code and the Board's Bylaws, including the reasonably necessary means and methods to accomplish those duties.

The term "expenses" specifically includes transportation, meals, and lodging expenses, in amounts not to exceed the rates and limitations specified in University and State of Texas rules and regulations on travel (See TSU MAPPs 03.02.10 and 03.02.11; General Appropriations Act, Article IX, Part 5; Chapter 660 of the Texas Government Code, referred to as the Travel Regulations Act; 34 Texas Administrative Code §5.22, referred to as State of Texas Travel Guidance).

All regent expenses/requests for reimbursement must comply with University and State of Texas rules and regulations on travel and fall within the University budget allocated for that purpose. Regent expenses reimbursed or paid from state appropriated funds shall not exceed the annual cap contained in the General Appropriations Act for that purpose for the biennium.

Any incremental travel expenses incurred by the university or by a board member on behalf of a board member's spouse, dependents or guests, in attending the work of the board, are the sole responsibility of the board member.

Except for expenses associated with attendance at regularly scheduled board meetings, all requests for reimbursement of regent expenses, including domestic travel and business meals while discharging board duties, must be preapproved by the Board Chair, or if unavailable, the Vice Chair, or if unavailable, the Second Vice Chair, or in the case of the Board Chair's expenses, the Vice Chair, or if unavailable the Second Vice Chair, before the expense is incurred.

Process
A separate record of regent expenses, expense approvals, and reimbursement requests shall be kept and maintained as provided in the University's rules and regulations on travel (See TSU MAPPs 03.02.10 and 03.02.11).
Regent reimbursement and preapproval requests shall first be prepared by the Board Office then forwarded to the Division of Business and Finance for review and returned to the Board Office for submission to the Board Chair, Vice Chair, or Second Vice Chair (as applicable) for final approval.
The Board Office shall develop procedures for regent submission of expenses and requests for reimbursement, and Board Office review of same for compliance with University and State rules and regulations on travel prior to submission to the Division of Business and Finance or the Board Chair, Vice Chair, or Second Vice Chair (as applicable).
Annual Audit
The Audit and Compliance Committee Chair in coordination with the Internal Auditor shall ensure regent expenses and requests for reimbursement are audited annually and the resulting audit report submitted to the Board.

51.04 Historically Underutilized Businesses

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

A. reaffirm the university's commitment to the principles of equal opportunity for all businesses and to act affirmatively to increase the participation of historically underutilized businesses in the university's procurement processes;

B. encourage participation in procurement form historically underutilized businesses;

C. foster further expansion and development of historically underutilized businesses;

D. actively assist historically underutilized businesses in Texas in becoming familiar with the procurement processes of the university;

E. support growth and new business opportunities in the areas served by the university, thereby promoting the economic development of the state;

F. expand the number of suppliers and contractors seeking to provide goods and services to the university, thereby encouraging competition, with the ultimate goal of improving quality and economy of goods and services purchased by the university;

51.04.1 Applicability

A. This policy applies to all purchases and procurements of goods and services for the university.

B. It is the intent of the university that the goals of this policy will apply to the hiring of subcontractors by its contractors. This intent will be reflected in bid documents and in the provisions of all contracts.

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

51.04.2 Definitions

A. "Historically under-utilized business" means:

1. A for-profit corporation, sole proprietorship, partnership, joint venture or supplier contract between an economically disadvantaged business with principal place of business in this State, and a prime contractor;

2. Designated by the Texas Comptroller of Public Accounts, through the Texas Procurement and Support Services division; and

3. In which at least 51 percent of all classes of the shares of stock or other equitable securities are owned by one or more persons who are economically disadvantaged because of their identification as members of certain groups, including Black Americans, Hispanic Americans, women, Asian Pacific Americans, and Native Americans, who have suffered the effect of discriminatory practices or similar insidious circumstances over which they have no control and who have a proportionate interest and demonstrate active participation in the control, operation, and management of the corporation's affairs.

B. The Texas comptroller of Public accounts, through the Texas Procurement and Support Services division, will certify a business enterprise meeting the above criteria.

51.04.3 Assessment

A. The university will report annually to the president or his or her designee on purchases and contracts with historically underutilized business.

B. Each March and September the president or his or her designee shall report on the purchases and contracts awarded to historically underutilized businesses for the previous six month period to the Texas Comptroller of Public Accounts, through the Texas Procurement and Support Services division as required by the Texas Government Code.

C. The university will include in its strategic plan, a plan for increasing the use of historically underutilized business in purchasing and construction contracting as required by the Texas Government Code.

51.05 Reduction in Asset Valuations

All reductions in asset valuations on the accounting records of Texas Southern University, including but not limited to accounts receivable, notes receivable, inventory, and capital assets, must be approved by the board of regents

51.06 Higher Education Assistance Fund (HEAF)

Accounting to Article VII, Section 17 of the Texas Constitution, the Texas Legislature makes appropriations from the Higher Education Assistance Fund (HEAF) to the Boards of Regents of institutions of higher education, including the board of regents of Texas Southern University. The board is responsible for authorizing HEAF expenditures by the university based on the president's recommendations.

The president is responsible for recommending HEAF expenditures to the board based on the university's priorities. The president is responsible for recommending university HEAF priorities based on plans that identify the need to acquire land; to construct and equip buildings; to rehabilitate or make major repairs to buildings and facilities; to acquire capital equipment; and to acquire library books or other library materials. HEAF allocations are recommended annually during the budget process.

52 FEES

In accordance with Section 54.545 of the Texas Education Code, the board delegates authority to the president, or his or her designee, to set fees for each continuing education course at each institution in an amount sufficient to permit the university to recover the costs of proving the course. Fees will be charged only for a course for which the university does not collect tuition or receive formula funding, including an extension course, correspondence course, or other self-supporting course. Information regarding fees charged for continuing education courses shall be on file in the office of the president.

52.02 Approval of Tuition, Fees and Other Charges

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

52.02.1 Board Approval

The board shall approve all fees and charges as allowed by law, or any amendment thereto, made by the university for:

A. tuition;
B. student service fees;
C. general fees;
D. laboratory fees;

E. computer use fees;
F. general property deposits
G. room and board within university housing for students; and
H. parking privileges.

52.02.2 Delegation of Authority

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

52.02.3 Waivers

The president may waive fees or charges as allowed by law.

53 ENDOWMENTS

53.01 Minimum Endowment Levels

The board encourages gifts of all sizes; however, the high cost of administering endowment accounts requires a minimum acceptable endowments threshold. The board authorizes the president to establish minimum funding levels for endowments.

53.02 Pooled Investment Funds

To promote the effective implementation of the board's investment philosophy, assets of individual endowments, except where prohibited, are co-mingled with assets of other endowments in the purchase of shares, called units, of open-ended, polled investment funds administered by the university. The Pooled Investment Fund is intended to provide a predictable source of income to meet current needs, and to provide growth through market value appreciation. At least once annually, the president will recommend to the board of regents the asset allocation to be maintained by the investment managers. The asset allocation should ensure capital growth and income production in appropriate proportions to preserve the assets' real value and the long-range purchasing power of endowment income.

53.03 Management of Endowments

53.03.1 Investment Management

Except for alternative investments, all endowment investment portfolios are managed by the university's external investment managers; alternative investments may be externally managed or managed internally by the president or his or her designee. All investments are managed in accordance with the Endowment Fund Statement of Investment Objectives and Policies approved by the board. The Endowment Fund Statement of Investment Objectives and Policies is on file in the board of regents office and on the University.

54 INVESTMENTS

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

54.01 Investment Objectives

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

54.01.1 Local Funds

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

54.01.2 Bond-Related Funds

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

55 FINANCIAL ADVISORS AND SERVICE PROVIDERS

55.01 Disclosure

Financial advisors and service providers which include a person or business entity who acts as a financial advisor, financial consultant money or investment manager or broker shall comply with the disclosure requirements contained in Texas Government Code Section 2263.005. Financial Advisors and service providers must:

A. make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with their respective duties to Texas Southern University; and

B. on an annual basis, communicate the relevant information using the Texas State Auditor's Office Uniform Disclosure Form.

55.02 Standards of Conduct for Financial Advisors and Service Providers

55.02.1 Code of Ethics

Financial advisors and service providers under contract with Texas Southern University shall:

A. act with integrity, competence, diligence, respect, and in unethical manner with the public, clients, prospective clients, employers, employees, and colleagues in the investment profession;

B. use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations , taking investment actions, or engaging in other professional activities;

C. practice, and encourage others to practice, in a professional and ethical manner that will reflect credit on themselves and the profession;

D. maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals; and

E. place the interest of clients, the interest of their employer, and the integrity of the investment profession above their own personal interest.

55.02.2 Standards of Professional Conduct

Financial advisors and service providers under contract with Texas Southern University:

A. must understand and comply with all applicable laws, rules and regulations of any government agency, regulatory organization, licensing agency, regulatory organization, licensing agency, or professional association governing their professional activities;

B. must not knowingly participate or assist in, any violation of such laws, rules or regulations;

C. must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities;

D. must not offer, solicit, or accept any gift, benefit, compensation, or consideration that could be reasonably expected to compromise their own or another's independence and objectivity;

E. must not make any statements that misrepresent facts relating to investment analysis, recommendations, actions, or other professional activities;

F. must not engage in any professional conduct involving dishonesty, fraud, deceit, or commit any act that reflects adversely on their integrity, trustworthiness, or professional competence;

G. must exercise due diligence, independence, and thoroughness in conducting investment analysis, making investment recommendations and taking investment actions; and

H. must have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation, and action.

55.02.3 The above standards of conduct are derived from the Association for Investment Management and Research code of ethics and standards of professional conduct.

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