

1. Title

Delegation to Act on Behalf of the Board

2. Rule and Regulation

Sec. 1 Operation of Rule

- 1.1 Generally. This Rule contains a non-exhaustive list of matters delegated by the Board of Regents. Matters specifically identified as not delegated in Section 3, Matters Not Delegated, require Board approval even if described in Section 2, Matters Delegated.
- 1.2 Scope and Conditions. The following matters are not subject to Sections 2 and 3 of this Rule.
 - 1.2.1 Significant Contracts or Documents. Institutional presidents and executive officers at U.T. System Administration are responsible for identifying contracts, agreements, and other documents of such significance to warrant the prior approval of the Board of Regents, regardless of whether such approval would be required under this Rule. Each such matter so identified shall be presented to the Board by the Chancellor as an Agenda or Consent Agenda item at a meeting of the Board.
 - 1.2.2 Statutory. Any power, duty, or responsibility that the Board has no legal authority to delegate, including any action that the Texas Constitution requires be taken by the Board of Regents.
 - 1.2.3 UTIMCO. Management of assets by The University of Texas/Texas A&M Investment Management Company (UTIMCO), which is governed by contract and the provisions of [Rules 70101](#), [70201](#), [70202](#), and [70401](#) of these *Rules and Regulations*.
 - 1.2.4 Acceptance of Gifts. The acceptance, processing, or administration of gifts and bequests, which actions are governed by [Rules 60101](#), [60103](#), [70101](#), and [70301](#) of these

Rules and Regulations and applicable policies of the Board of Regents.

- 1.3 Delegation Process. The primary delegate identified in these *Rules and Regulations* or in an official Board action may further delegate his or her delegated authority to a secondary delegate unless otherwise specified. Any such further delegation of authority must be made in writing and the primary delegate shall permanently maintain, or cause to be maintained, evidence of all such delegations. A secondary delegate may not further delegate authority to any other individual.
- 1.4 Delegate's Responsibilities. The primary delegate identified in these *Rules and Regulations* as authorized to execute and deliver on behalf of the Board of Regents various types of contracts, agreements, and documents shall maintain, or cause to be maintained, necessary and proper records with regard to all contracts, agreements, and documents executed and delivered pursuant to such delegated authority, in accordance with any applicable records retention schedule or policy adopted by the Board, the U.T. System Administration, or the institution. The primary delegate must also maintain, or cause to be maintained, sufficient accounting systems and procedures to assure that contracts, amendments, and renewals for the purchase of goods and services are presented to the Board for approval if required by these *Rules and Regulations*.
- 1.5 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 following review and approval procedures as required by these Rules or for which authority has been delegated. Any officer or employee executing a document on behalf of the Board of Regents shall be responsible for ensuring that he or she has authority to act on behalf of the Board and that such authority is exercised in compliance with applicable conditions and restrictions. Documents executed on behalf of the Board pursuant to authority granted under these *Rules and Regulations* shall not require further certification or attestation.

- 1.6 Actions of the Board as Trustee. Authority delegated by the Board of Regents in these *Rules and Regulations* includes actions that may be taken by the Board in its capacity as trustee of any trust to the extent such delegation is permitted by law.
- 1.7 Power to Bind U.T. System. No employee of the U.T. System, as an individual or as a member of any association or agency, has the power to bind the U.T. System unless such power has been officially conferred in advance by the Board of Regents. Any action that attempts to change the policies or otherwise bind the U.T. System, taken by any individual or any association or agency, shall be ineffective and non-binding until the proposed action has been approved by the Board or a person acting under authority delegated by the Board.
- 1.8 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 U.T. 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:
 - 1.8.1 In accordance with general or special budgetary apportionments authorized in advance by the Board of Regents and entered in its minutes; or
 - 1.8.2 In accordance with authority specifically vested by the Board of Regents in a committee of the Board; or
 - 1.8.3 In accordance with authority to act for the Board of Regents when it is not in session, specifically delegated by these *Rules and Regulations* or by special action of the Board.
- 1.9 Compliance with Special Instructions by U.T. System Administration Officers. 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 Chancellor; review and approval by the Office of General Counsel; and recordkeeping.

Sec. 2 Matters Delegated

2.1 Contracts. The following contracts or agreements, including purchase orders and vouchers, do not require approval by the Board of Regents.

2.1.1 Contracts at or Below the Institutional Threshold.

- (a) All contracts or agreements, with a total cost or monetary value to the U.T. System or any of the institutions at or below the Institutional Threshold, unless Board approval is otherwise required under these Rules. 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.
- (b) For contracts that have not been approved by the Board, 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. For contracts that have been approved by the Board, any amendment, extension, or renewal with a cost or monetary value that exceeds 25% of the cost or monetary value of the Board-approved contract must be submitted to the Board for approval.

- (c) Increase in Institutional Threshold. An institution's dollar threshold may be increased to up to \$5 million by the Chancellor, 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.

2.1.2 Settlement Agreements.

- (a) Construction Settlements. All settlement claims and disputes relating to construction projects to the extent funding for the project has been authorized. Authority to execute documents necessary or desirable to settle such claims and disputes is delegated to the System Administration or institution official designated in the construction contract.
- (b) Insurance Settlements. The settlement of insurance claims, which are governed by [Rule 80601](#).
- (c) Intellectual Property Settlements. All settlement claims and disputes relating to intellectual property owned or controlled by the Board of Regents. Authority to execute documents necessary or desirable to settle such claims and disputes is delegated to the Vice Chancellor and General Counsel.
- (d) All other claims. The Vice Chancellor and General Counsel is delegated authority to execute and deliver on behalf of the Board agreements settling any claim, dispute, or litigation of up to \$1,000,000. Except as otherwise provided in these Rules, settlements in excess of \$1,000,000 must be approved by the Board or by the appropriate standing committee of the Board.

- i. Required Consultation. The Vice Chancellor and General Counsel shall consult with the institutional president and the Chancellor regarding all settlements greater than \$150,000 that will be paid out of institutional funds. 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.
 - ii. Determining settlement amount. The amount of the settlement shall mean the amount that might be reasonably expected to be recoverable by the U.T. System but not received pursuant to the settlement or, in the case of a claim against the U.T. System, the total settlement amount to be paid by the U.T. System.
- 2.1.3 Contracts for Legal Services and Filing of Litigation. The Vice Chancellor and General Counsel is delegated 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. Any litigation related to these contracts on behalf of the Board, U.T. System Administration, or an institution of U.T. System must have the prior approval of the Vice Chancellor and General Counsel.
- 2.1.4 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.

- 2.1.5 Intellectual Property. Legal documents, contracts, or grant proposals for sponsored research and licenses or other conveyances of intellectual property owned or controlled by the Board of Regents as outlined in [Rule 90101](#) of these Rules. For purposes of this Rule, sponsored research includes specific research projects as well as more general research initiatives.
- 2.1.6 Contracts Between or Among U.T. System Administration and Institutions. Contracts or agreements for resources or services to which U.T. System Administration and/or one or more institutions of the U.T. System are the only parties. The Chancellor and the president of an institution have respective authority to execute on behalf of the Board contracts or agreements between or among U.T. System Administration and institutions of the U.T. System. Any such contract or agreement shall provide for the recovery of the cost of services and resources furnished. These contracts are not subject to the requirements of the Interagency Cooperation Act, *Texas Government Code Chapter 771*, as this section serves as the Board-adopted rules contemplated by *Texas Education Code Section 51.928*.
- 2.1.7 Replacements. Contracts or agreements for the routine replacement of equipment or software or services associated with the implementation of such software.
- 2.1.8 Routine Supplies. Contracts or agreements for the purchase of routinely purchased supplies or equipment.
- 2.1.9 Approved Budget Items. Purchases of new equipment or licensing of new software or services associated with the implementation of the software, identified specifically in the institutional budget approved by the Board of Regents.

- 2.1.10 Group Purchases. All purchases made under any group purchasing program that follows all applicable statutory and regulatory standards for procurement.
- 2.1.11 Loans. Loans of institutional funds to certified nonprofit health corporations, which loans have been approved as provided in The University of Texas Systemwide Policy [UTS 166](#), *Cash Management and Cash Handling Policy* and The University of Texas Systemwide Policy [UTS 167](#), *Banking Services Policy* concerning deposits and loans.
- 2.1.12 Certain Employment Agreements. Agreements with administrators employed by the U.T. System Administration 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](#).
- 2.1.13 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.
- 2.1.14 Library Materials and Subscriptions. Contracts or agreements for the purchase or license of library books and library materials.
- 2.1.15 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 Chancellor and be in a form acceptable to the Vice Chancellor and General Counsel.
- 2.1.16 Property or Casualty Losses. Contracts or agreements with a cost or monetary value to the

U.T. System Administration 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.

- 2.1.17 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 or facility, if the services or equipment were acquired through approved procurement procedures or competitively procured.
- 2.1.18 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*.
- 2.1.19 Memorandum of Understanding with University-Affiliated Foundation. The Board of Regents delegates authority to execute a Memorandum of Understanding between U.T. System Administration or a U.T. System institution and an affiliated foundation to the institutional president or the Chancellor (see [Rule 60305](#)).
- 2.1.20 Emergency Circumstances. The Board of Regents delegates authority to the Chancellor to approve contracts, agreements, and purchases and to make needed policy modifications associated with assuring response to and continuation of operations during an emergency, the existence of which shall be determined in consultation with the Chairman of the Board when possible. The Chancellor shall promptly report use of such authority to the Board.

2.2 Other Matters.

2.2.1 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.

2.2.2 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.

Sec. 3 Matters Not Delegated. The following contracts or agreements, including purchase orders or vouchers and binding letters of intent or memoranda of understanding, are not delegated by the Board and must be submitted to the Board for approval or authorization, even if the matter fits the description of a matter delegated in Section 2:

3.1 Athletic employment agreements over \$1 million. Contracts and contract amendments affecting compensation with athletic directors and coaches with total annual compensation of \$1 million or greater.

3.1.1 Contracts, contract revisions, and contract extensions requiring Board approval 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 a member or members of the Board designated by 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.

- 3.1.2 Such special circumstance contracts shall be submitted to the Board for formal approval at the next appropriate meeting of the Board as required by [Rule 20204](#).
- 3.1.3 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 above.
- 3.1.4 It is the expectation of the Board 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.
- 3.2 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 described above, for the determination of special circumstances. Following such consultation, such special circumstance contracts shall be submitted to the Board for formal approval at the next appropriate meeting of the Board.
- 3.3 Contracts with Foreign Governments. Contracts or agreements of any kind or nature, regardless of dollar amount, with a foreign government or agencies thereof, except:
 - 3.3.1 The following agreements if prepared on an approved standard form or satisfying the requirements set by the Office of General Counsel: affiliation agreements, 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;

3.3.2 The following agreements if approved by the Office of General Counsel: 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; and

3.3.3 Agreements regarding cultural performances or the exchange of artistic materials where no funds are expended by the U.T. System or any of the U.T. institutions.

3.4 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. 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. institution.

3.5 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 [Rule 20101](#).

3. Definitions

Group Purchasing Program – for purposes of this Rule, a purchasing program established by (1) a state agency that is authorized by law to procure goods and services for other state agencies, such as the Texas Comptroller of Public Accounts and the Texas Department of Information Resources, or any successor agencies, respectively; or (2) a group purchasing organization in which the institution participates, such as

Vizient, E&I Cooperative Services, and BuyBoard; or (3) the U.T. System Supply Chain Alliance. A group purchasing program is covered by this rule only if it is conducted by a state agency or group purchasing organization that is accredited by U.T. System as meeting minimum procurement standards established by the State of Texas and U.T. System.

Institutional Threshold – the review threshold identified for System Administration and each U.T. institution in the [Board Contract Approval Threshold Table](#).

4. Relevant Federal and State Statutes

The Higher Education Act of 1965 ([20 U.S.C §1011f](#)) – Disclosures of Foreign Gifts

Texas Education Code [Section 51.928\(b\)](#) – Written Contracts or Agreements Between Certain Institutions

Texas Education Code [Section 51.948](#) – Restrictions on Contracts with Administrators

Texas Education Code [Section 65.31\(g\)](#) – Delegation by the Board

Texas Government Code [Section 618.001](#) – Uniform Facsimile Signature of Public Officials Act

Texas Government Code [Sections 669.001 - 669.004](#) – Restrictions on Certain Actions Involving Executive Head of State Agency

Texas Government Code [Section 2203.005](#) – Vending Machines Authorized

Texas Insurance Code, [Chapter 1601](#) – Uniform Insurance Benefits Act for Employees of The University of Texas System and The Texas A&M University System

5. Relevant System Policies, Procedures, and Forms

Regents' Rules and Regulations, [Rule 20204](#) – Determining and Documenting the Reasonableness of Compensation

The University of Texas Systemwide Policy [UTS 130](#), *Vending Machine Contracts*

The University of Texas Systemwide Policy [UTS 145](#), *Processing of Contracts*

The University of Texas Systemwide Policy [UTS 166](#), *Cash Management and Cash Handling Policy*

The University of Texas Systemwide Policy [UTS 167](#), *Banking Services Policy*

Regents' *Rules and Regulations*, [Rule 60101](#) – Acceptance and Administration of Gifts

Regents' *Rules and Regulations*, [Rule 60103](#) – Guidelines for Acceptance of Gifts of Real Property

Regents' *Rules and Regulations*, [Rule 70101](#) – Authority to Accept and Manage Assets

Regents' *Rules and Regulations*, [Rule 70201](#) – Investment Policies

Regents' *Rules and Regulations*, [Rule 70202](#) – Interest Rate Swap Policy

Regents' *Rules and Regulations*, [Rule 70401](#) – Oversight Responsibilities for UTIMCO

Regents' *Rules and Regulations*, [Rule 80601](#) – Property and Casualty Insurance and Surety Bonds

[Litigation Approval Request Form](#)

[Special Procedure Contracts](#)

[Board Contract Approval Threshold Table](#) (August 1, 2023)

6. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

7. Dates Approved or Amended

[Regents' Rules Revision History](#)