

THE TEXAS STATE UNIVERSITY SYSTEM



RULES AND REGULATIONS

LAMAR UNIVERSITY
LAMAR INSTITUTE OF TECHNOLOGY
LAMAR STATE COLLEGE - ORANGE
LAMAR STATE COLLEGE - PORT ARTHUR
SAM HOUSTON STATE UNIVERSITY
SUL ROSS STATE UNIVERSITY
SUL ROSS STATE UNIVERSITY RIO GRANDE COLLEGE
TEXAS STATE UNIVERSITY

**Adopted September 1, 1980
Amended August 17, 2017,
November 16, 2017, and February 16, 2018**

6.61 Banks with an Automated Payment Fraud Prevention Process. If the Component's local bank provides an automated payment fraud prevention process (e.g., positive payee) for payments, the Component may use the electronic signature of one of its fiscal officers for processing checks. Before the payment is finalized by the bank, the Component shall utilize a fraud prevention process to review and approve electronically both check and Automated Clearing House ("ACH") individual payments exceeding \$50,000.

6.7 Financial Reports. All Component books, records, ledgers, and accounts shall be kept and maintained in conformity with recommendations of the State Auditor and the State Comptroller of Public Accounts, subject to approval of the Board. All proposed operating budgets and all biennial appropriation requests shall be examined, considered, and approved by the Board in open meetings.

6.71 Annual Operating Budget and Budget Summary. The President of each Component shall prepare and submit annually to the Board at its May or August meeting, as specified each year by the Board, a proposed budget for the operation of the Component for the next fiscal period. Copies of all proposed operating budgets shall be available to all members of the Board and the Chancellor at least eight calendar days in advance of such Board meeting. A budget summary is to be prepared and submitted in writing at least eight calendar days in advance of such Board meeting. The proposed operating budget and budget summary shall be in the form and detail recommended by the Chancellor with the approval of the Board, with all income estimated and itemized by fund, project, or department. A true and correct copy of the adopted operating budget of each Component shall be filed with the System Administration as a public document and a conformed copy delivered to the Chancellor and to all appropriate agencies by the President of the Component. Upon adoption of the operating budgets by the Board, all subsequent expenditures shall conform therewith. Changes in a current operating budget and all transfers of funds between appropriated items shall be subject to Board approval.

6.72 Annual Financial Report. The Annual Financial Report shall be prepared in accordance with the provisions of the statutes, the *General Appropriations Act (Article III-Special Provisions and Article IX-General Provisions)*, as may be amended or superseded, and with the requirements established by the Comptroller of Public Accounts. The reports shall be approved by the chief fiscal officer and submitted to the System Administration for inclusion in the Consolidated System-wide Report. This submission should allow sufficient time for consolidation and subsequent submissions to the required State agencies within the time requirements as specified by State law.

6.73 Monthly Operating Report. The chief fiscal officer of each Component under the governance of the Board shall submit one copy of the Monthly Operating Report to the System's Vice

Chancellor for Finance on or before the end of the following month. When possible, the report may be submitted electronically. The Monthly Operating Report shall show, as of the last day of the preceding month, a summary statement of budget position, general ledger trial balance by fund groups, statement of realization of estimated income, and statement of departmental and other balances (including appropriations and credits, expenditures and debits, unexpended balances, encumbrances, and unencumbered balances).

6.74 Sinking Fund Reports. The chief fiscal officer of each Component shall incorporate in the Annual Financial Report the true condition as of the thirty-first day of August of all bonds, interest, and pledged revenue sinking funds maintained under all bond or warrant obligations of the Component. Each Sinking Fund Report shall identify the bond contract and facility to which it pertains, the sinking fund maintained thereunder (including date established and date of scheduled retirement), the depository and account in which the sinking fund is maintained, and the cash balance on hand in the sinking fund and withdrawals therefrom (if any) during the preceding calendar year. Sinking funds shall be maintained by each Component in accordance with the contractual provisions creating them. Withdrawals from sinking funds, other than required bond and interest payments, shall not be authorized by the Board, except in the manner and to the extent provided in the bond or warrant contract establishing it and upon recommendation of the Local Committee. System-wide issues will be reported by the System Administration beginning with the 1994 Fiscal Year.

6.75 Investment Report. A quarterly investment report will be prepared by each Component as prescribed by The Texas State University System Investment Policy for Operating Funds and Endowment Funds. The report shall be posted on the web page of the reporting Component in accordance with state statute and the State Auditor's and System Administration Office reporting guidelines. Each Component's quarterly investment report is due in the System Administration Office not later than the last workday of the month following the end of each quarter. A combined report shall be created for use by the Board and for purposes of conveying the information externally as may be required.

6.8 Purchase of Food, Refreshments, and Awards with Institutional Funds that are not otherwise restricted. The Board of Regents has determined that the expenditure of institutional funds that are not otherwise restricted for the purchase of food, refreshments, and achievement awards assists the Components in the System in carrying out their educational functions, promotes education in the State of Texas, and provides an important public purpose. Accordingly, the Board authorizes each Component to use such funds for the purchase of food, refreshments, and achievement awards in accordance with the following guidelines. The President of each Component is delegated the authority to determine if specific expenditures for the purchase of food, refreshments, and achievement awards, using institutional funds, fall within the following objective guidelines