

BUSINESS OFFICE POLICIES AND PROCEDURES HANDBOOK FOR FACULTY AND STAFF



Policy Manual Volume VIII

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Celebrating a 141 year legacy

UNIVERSITY MISSION AND VISION

Mission

Huston-Tillotson University nurtures a legacy of leadership and excellence in education, connecting knowledge, power, passion, and values.

Vision

A connected world where diversity of thought matters.

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8.0 INTRODUCTION

This Volume VIII of the Huston-Tillotson University Policy Manual is intended to provide faculty and staff with a general understanding of business office policies and procedures. An attempt has been made to include all relevant business and fiscal regulations and policies. The University’s Business Office, operating under the auspices of the Administration and Finance Unit, is responsible for the financial management and reporting functions of the University. Primary among the basic functions of the Business Office is the management and efficient utilization of the institution’s financial resources.

8.1 Financial Management - The Institutional Budget Process

The purpose of the Budget Planning and Preparation process is to provide a systematic method for collecting information from all departments and units of Huston-Tillotson University (HT) on the financial needs of the academic, student and administrative programs at HT and transform that information into a feasible and viable fiscal policy – an institution-wide budget. The budget development process is multi-tiered and includes the participation of institutional budget managers, business office staff, the Budget and Planning Committee, the Executive Cabinet, the Administrative Council and the Board of Trustees.

8.1.1 Budget Planning Objectives

1. Develop departmental/unit budgets which clearly correlate proposed plans to the dollar level of the budget request;
2. Develop departmental/unit budgets that are consistent with the goals, objectives and activities of HT; and,
3. Maintain constant and consistent review, approval, and monitoring of departmental/unit budget activities.

8.1.2 Budget Development Procedures

The institutional budget process begins in October of each academic year and concludes in the spring at which time the operating budget is presented for approval to the Board of Trustees during their spring meeting. At the beginning of the budget planning process, the Budget and Planning Committee sponsors a budget training session with all budget managers. Immediately following the training session, the budget planning packets are forwarded to the respective budget managers (Appendix 8.1: Budget Planning Package). Included in the budget packets are a budget-planning calendar, revenue budget assumptions, a salary request form, technology/equipment request form, and line item budget forms.

In accordance with the budget planning calendar, once the budget packets have been received the budget managers are required to develop their departmental budget request and submit them to their respective vice president by early January of each academic year. In late February, the Budget and Planning Committee sponsors budget hearings to provide budget managers the opportunity to discuss their budget request and/or seek clarification from the committee. Once the budget hearings have been completed, the business office staff develops the development of the institutional budget for review and adoption by the Budget and Planning Committee, Executive Cabinet, Administrative Council and the Board of Trustees. Following the adoption of the operating budget by the various

institutional bodies, the Budget and Planning Committee host a “budget roll out” meeting with the institutional budget managers during which the departmental budgets are disseminated.

8.1.3 Budget Revisions

Once the operating budget has been approved, budget managers are allowed to request adjustments within their respective departmental budgets using the budget amendment form (Appendix 8.1.1: Budget Amendment Request). Once the form has been completed and the budget manager has secured all of the requisite approvals, the form should be submitted to the Budget Analyst for review. The Vice President for Administration and Finance is authorized to all departmental budgets. Budget adjustment requests that exceed the originally appropriated departmental budget require approval from the President.

8.1.4 Budget Monitoring

Budget managers have on-line access to their respective departmental budgets and are asked to review their budget status on a monthly basis. At the end of the each quarter of the academic year, the business office provides budget managers with quarterly reports of their budget status. The business office notifies the budget managers of anticipated budget over expenditures and encourages a re-allocation of budget line items.

8.2 Financial Management – Cash Receipts and Check Policies

8.2.1 Making Payments

The Bursar's Office accepts payments for registration and other student related fees such as Deferred Payment Plan payments. The Bursar accepts the most common forms of payments - cash, checks, and credit cards.

When payments are made using personal checks, employees are asked to verify that the payment (check):

- Is made payable to Huston-Tillotson University
- Is recorded for proper amount
- Is signed
- Has a current date
- Has a complete address
- Has the student identification number or social security number
- Has the bank branch information and personal account number imprinted on the check by the bank

Payments that are received for student and campus department accounts are deposited into the bank within 48 hours of receipt.

8.2.2 Dual Payee Checks

Most scholarship or private loan checks made payable to a student and Huston-Tillotson University are processed through the Financial Aid Office. If a student or employee receives a check made payable to the student **and** Huston-Tillotson University that check should be immediately delivered to the Bursar's Office for review. After reviewing the check, the Bursar will notify the Financial Aid Office of the receipt of the check. Financial Aid will notify the student to come to the cashier window to sign the check. Once the student signs the check it will be deposited into the University bank account and applied to the student account. If the student does not come within two weeks, the Bursar will notify the Financial Aid Office the student has not come and the notification process is repeated. After two attempts and 30 days, if the student does not come to the Bursar window, the check will be determined undeliverable and will fall under policy 8.2.4.2.

8.2.3 Returned Checks for Student Accounts

Returned checks, regardless of the reason, are subject to a **\$35.00** service charge. In addition,

Huston-Tillotson University services will be on hold and students will not be able to complete registration for subsequent semesters until the check and check fees are redeemed. Returned check invoices should be paid immediately.

8.2.3.1 Redemption of Returned Checks

Returned checks must be redeemed with cash, cashier's checks, or money orders. After redemption and upon request, the Controller will release returned checks.

8.2.3.2 Suspension of Check Writing Privileges

Students and all other payers who have had two checks returned to Huston-Tillotson University are placed on a cash payment basis only (no checks accepted) for six months. Three or more returned checks result in the suspension of check writing privileges for one year. At the end of these periods, check-writing privileges may be restored; however, Huston-Tillotson University reserves the right to withhold these privileges.

8.2.3.3 Notices, Bills, and Holds for Returned Checks

The Bursar's Office sends invoices for returned checks and associated returned check charges. When a check is returned unpaid, a hold is immediately placed on Huston-Tillotson University services. Holds can limit and restrict financial services within the Administration and Finance Office until the returned check and service charge are paid.

8.2.4 Departmental Deposits

If your department receives cash or checks for a service or goods, or funds designated as a gift or donation, please forward them to the Office of Institutional Advancement (512.505.3073) for proper processing. Institutional Advancement will prepare the Gift Routing Form and submit with the original check plus one copy and all backup documentation to the Business Office bursar window within one business day of receipt. All funds received by any department of the University must be submitted to the Business Office Bursar within one business day of receipt.

8.2.4.1 Returned Checks

Checks returned by the bank unpaid will be charged back to the departmental account that was originally credited when the check was deposited. If this happens, the department head will receive a copy of the receipt along with a copy of the check attached and it will be the department's responsibility to collect the lost income. If the check is on a student's account, the Bursar assumes responsibility to collect the lost income.

8.2.4.2 Undeliverable Student Funds

Refund checks that have not been claimed will be escheated to the State Comptroller one year after the first attempt to deliver. Student loan checks that have not been claimed and endorsed by the student within 30 days will be returned to the Financial Aid Office with instructions to return such check(s) to the lender. All scholarship checks not endorsed by the end of the semester will be returned to the donor. Notification of these actions will be mailed to both the student's permanent and local addresses.

8.3 Financial Management – Purchasing and Contracting

The terms "purchasing and contracting" shall be understood to include the procurement of supplies, materials, equipment, contractual services, contracts and leases, operation of any central stores for supplies or material, and the maintenance of equipment inventory.

The institution's program of "purchasing and contracting" is considered to be a primary element of financial management since the effect of a purchase or the execution of a contract is to convert the asset cash into another form such as material, supplies, equipment, contractual services, or a building.

Debarment and Suspension Policy: Any purchase or contract involving federal funds cannot be

executed with vendors, contractors or consultants who are:

- Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.
- Presently indicated for or have within a three-year period been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing public transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property
- Have not within a three-year period preceding grant application had one or more public transactions terminated for cause or default

8.3.1 Competitive Bids

The institutional policy requires that three quotes be secured when the anticipated cost for any equipment or supply costs \$5,000 or more. For construction projects/services, competitive bids are typically required when the anticipated cost is \$50,000 or more.

When competitive bids are required, bids must be secured from a minimum of three vendors, and all bids must be attached to the purchase requisition when submitted before purchase approval will be granted. The institution does not require that the lowest bid be accepted in all cases if there are extenuating reasons for making alternative decisions. In these instances, justification should be provided with the purchase requisition when submitted.

Items of equipment with an individual cost of \$1,000 or more and an expected useful life of more than one year are considered capital equipment. The Director of Information Technology must approve all purchases of computer hardware and/or software in advance. All of the institution's capital equipment must will be affixed with a University inventory number tag and subsequently added to the institutional fixed asset (equipment) inventory. This should be done at the time capital equipment is received in the Central Service area.

Warning: Do not order goods and services from vendors prior to receiving approval through the requisition process. If purchases are made without securing prior approval, the employee will be required to assume financial responsibility for the purchase.

8.3.2 Purchasing Procedures

8.3.2.1 Requisition for Funds

Requests for expenditure of funds, either institutional or from a restricted source (ex., Title III, THECB) must be submitted to the Business Office through the Electronic Requisition process. Paper requisitions will be allowed only by exception. A requisition for the expenditure of funds includes requests made for goods, services or cash advances.

Electronic requisitions are automatically assigned a tracking number and routed to appropriate budget managers and Unit Vice Presidents for approval.

The following criteria are used to determine whether a check or purchase order should be issued when it has not been indicated on the requisition form:

- **Check** – Checks will be prepared for payment of supplies, contractual obligations for the University, and for payment to vendors that do not accept purchase orders.
- **Purchase Order** – Purchase Orders will be prepared when ordering goods and services from vendors with which the University has an established buying relationship. This is the preferred method of purchasing for optimal cash management.

8.3.2.2 Completing the Requisition Form

Detailed instructions for entering electronic requisitions can be located in Appendix 8.3.1 - Electronic Requisitions. Basic steps required from Budget Manager (or designee) to obtain purchase approval are described below.

Step 1

Enter the name and department of the employee preparing the Requisition. Also provide the budget source, name and number to which the purchase should be charged. (Each Budget Manager should have a copy of the approved departmental budget – if not, it can be accessed through CX or you may contact the Business Office for a copy.)

Step 2

Indicate Type of Requisition:

- A. Requisition for Purchase Order (RP) – used to get approval prior to purchase;
- B. Requisition for Check (RK) – used for advances (such as travel) and staff/faculty reimbursements.

Step 3

Verify that the vendor exists in the CX system using the “Vendor Look-Up” feature of the requisition screen. Confirm the following information is available: vendor’s full name, address, telephone number, fax number and contact person. If the vendor is not already in the system, e-mail the Accounts Payable Officer the above information to establish vendor set-up.

Step 4

Sufficient supporting documentation must be entered on the electronic form and scanned into the departmental file to confirm the cost and type of goods and services purchased. Failure to clearly depict this information will result in the electronic requisition being denied and/or delay the purchase. If denial occurs, the Budget Manager must resubmit a new requisition and scan additional support into the departmental file.

In describing the goods/services you wish to purchase, include:

Quantity – number of each item ordered

Unit – The way the product is sold (each, box, case, dozen, lb, etc.)

Description/Specifications – Describe the item in detail

Unit Price – The cost of each unit

Amount – Unit X Unit price = Amount

Total – Sum of Amount Column

Additionally, some requisitions require additional information, such as a W-9 consultant form for an individual, bids or quotes for high dollar purchases or approved Travel Training Request form. These paper items should be scanned into the departmental file.

8.3.2.3 Timing of Requisitions

Requisitions for items that utilize the Huston-Tillotson seal, logo, or work mark such as uniforms, t-shirts, giveaway items must be approved by the Director of University Relations prior to submitting to the Business Office. Approved requisitions are processed within five days of receipt by the Business Office, provided appropriate documentation and approvals are in order. “Urgent” or “emergency” requisitions are processed as an exception and for extremely critical situations. Lack of planning does not constitute an emergency. Frequent abuses of non-compliance to Business Office policies and procedures will be reported to the President.

8.3.2.4 Processing of Requisitions

Once an Electronic Requisition has been submitted, a requisition number is assigned electronically and the requisition is routed for electronic approvals. The Budget Analyst or Fiscal Analyst within the Business Office compares the request to budget funds available.

Approval Thresholds for Electronic Requisitions for unrestricted and restricted sources:

Amount	Required Approvals
\$0-499	Budget Manager and Business Office
\$500 -\$2,499	Vice President of Administration and Finance
\$2,500 and over	President

Note the following:

- Breaking up a large purchase into smaller purchases to circumvent established limits is prohibited. Transactions are monitored to identify this type of non-compliance.
- Budget availability does not automatically indicate a purchase will be approved. Unit Vice Presidents and the President may deny a requisition if there are other factors that preclude purchase at that time.
- All requisitions, regardless of amount or funding source, are subject to review by the President’s Office and Business Office.

If approved, the Requisition for supplies, ordering of consulting services or payment of contractual obligations of the University will be forwarded to the Accounts Payable Office where a Check or Purchase Order will be generated.

If any additional information is required to process the Requisition, the Requester will be notified.

8.3.2.5 Completion and Delivery

Once prepared, the Purchase Order or Check will be mailed or be available for pickup in Room 209 on the prescribed date. The Business Office staff will not fax Purchase Orders, except under exceptional circumstances. In the case of electronic requisitions, a purchase order number will be e-mailed to the requester once all approvals are obtained and Accounts Payable has completed creating the Purchase Order.

8.3.2.6 Vendor Invoicing

Once goods ordered on a Purchase Order have been received, and the invoice has been received from the vendor, payment will be made. No further action is required from the department except for these two exceptions:

- If the invoice amount is greater than the Purchase Order amount by more than 5%, the Department Head must approve the increased amount. The Budget Analyst must also approve the invoice after the Department Head has initialed it. Any invoice variance less than 5% will be processed normally and payment will be made without departmental notification.
- If the goods are delivered and accepted by an employee, the receiving employee should sign the packing slip included with the order and forward it to the Business Office. If a packing slip is not included with the order, then the receiving employee must come in to the Business Office and sign the invoice to show that order has been received. This will speed processing of the invoice when it arrives. The Business Office will not pay an invoice until delivery is confirmed.

8.3.2.7 Required Documentation

1.8.9.2.1 Check Requests

- Requisitions for subscriptions, memberships, and supplies/equipment should include an original, completed order/renewal form. Bids for equipment purchases in excess of \$5,000.00 and construction bids in excess of \$10,000 must be attached to the file copy of the Purchase Order.
- Requisitions for personal services (i.e., consultants, lecturers) must include an invoice or consultant form (8.2: Travel/Training Request Form) detailing the services provided. An IRS Form W-9 is the preferred method of securing this information (Appendix 8.3.2.7.3: Individual Consultant Form).
- Requisitions for travel advance must include a completed and approved **Request for Travel** (Appendix 8.3.2.7.3: IRS Form W-9) form in accordance with the University's Travel Policy.

8.3.2.7.2 Purchase Orders

Attach any available quote sheet, completed order form, or other documentation required by the preferred vendor to process the order.

8.3.2.7.3 Services Provided by Consultants/Independent Contractors

(8.2: Travel/Training Request Form) should be used for consultants/independent contractors performing services for HT (if they do not provide an invoice of their own). This form is for **non-employees** only.

Note: Use Supplemental Pay form for employees.

Form W-9 is mandatory for ALL consultants (Appendix 8.3.2.7.3: IRS Form W-9) – whether or not submitting their own invoice. Consultants must submit a W-9 when they initially submit a request to HT for payment of services and when their information changes.

Note: The Business Office may periodically request renewal of all W-9 forms for vendors to maintain updated records.

Consultants who do not furnish a W-9 form (or do not have one on file) will be subject to 28% backup withholding – as per IRS guidelines.

8.3.2.8 Cost Allowability

This policy, in conjunction with Huston-Tillotson's University Purchasing and Expenditure Policy, provides guidance to ensure the consistent treatment of grant-related costs and to facilitate an understanding of allowable costs for federal grant awards.

The allowability of costs incurred by institutions of higher education is determined in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-21, "Cost Principles for Educational Institutions". Unallowable costs, as defined by the federal government, are not reimbursable by federal grants and must be charged to an appropriate University account code.

Some unallowable items to keep in mind are below:

- Alcoholic beverages are unallowable unless the nature of the research specifically requires the purchase and use and the sponsor explicitly approves the cost;
- Entertainment costs (such as tickets to shows or events) that are primarily for amusement or social activities;
- Routine copying and postage charges as well as general office supplies and items that are not aligned with specific projects;
- Clerical/administrative salaries (including secretarial) must be explicitly budgeted and justified in the budget narrative. Principal Investigators (PIs) are responsible for establishing that the nature of work performed on a research project necessitates clerical and administrative support beyond that routinely provided by the department, and a specific detailed budget must be included in the proposal.

OMB Circular A-21 establishes the principles for higher education relating to expenditures charged to federal grants or contracts. All costs must be:

- **Reasonable** – expenditures pass the “prudent person” test;
- **Allocable** – expenses can be allocated to a specific project;
- **Consistent** – similar expenses are treated the same in similar circumstances; and
- **Allowable** – fully in line with the respective sponsored agreement(s).

In order to determine whether a cost is allowable, PIs and other persons responsible for decision-making should be able to affirmatively respond to the following questions:

- Does the cost reflect what a prudent person would purchase and pay?
- Is the type of cost generally recognized as necessary for the project's operation?
- Does the cost fall within University policy as well as federal laws and regulations and sponsored agreement terms and conditions?
- Have all purchasing and hiring decisions associated with the cost been made in accordance with ethical codes of conduct, including potential financial conflicts of interest?
- Will the goods and services be received and used within the approved project period? (*Exceptions to this may be granted for pre-award costs or continuation projects only when allowed by the sponsored agreement terms and conditions and funded by the agency*)

In the event that a PI proposes to charge a direct cost to a federal grant that may fail to pass one or more of the tests of allowability above, the PI must obtain written approval from the cognizant agency to avoid the possibility of a disallowance.

If there are discrepancies between Huston-Tillotson University's policy and a specific federal agency policy and/or sponsor agreement terms and conditions, agency policy and sponsor agreement terms and provisions will apply.

Once a grant is awarded, the Office of Sponsored Programs will train PI's on how to monitor grant expenditures and review grant regulations in order to ensure all grant costs are allowable.

A review of all grant expenditures will be made by the Office of Sponsored Programs during the time of the initial expense request to ensure allowability. The Cost Allowability Policy committee will also conduct an annual assessment of expenditures, approval processes and whether journal entries are needed to reverse the cost of unallowable expenses. When all expense requests are reviewed, unallowable expenses will be reduced.

Sanctions:

The Principal Investigator will not be allowed to expend federal funds on unallowable expenses. If the policy is disregarded, the Provost and Vice President for Administration and Finance will be alerted so that the appropriate sanctions may apply.

If there are any questions or concerns about the allowability of certain costs, please contact the Director of the Office of Sponsored Programs at 512.505.3075.

8.4 Financial Management – Payroll Administration

8.4.1 Compensation Policies

Huston-Tillotson University is committed to providing fair pay to all employees in compensation for diligent, honest, hard work. Payroll is administered according to the policies listed below as well as the regulations of the Internal Revenue Service.

8.4.1.1 Pay Dates

Hourly employees and non-exempt salaried employees are paid semi-monthly on the 15th and the 30th of each month. All other employees are paid monthly on the 30th of the month. Paychecks or notices of deposit are distributed to the mailboxes in the University post office on each payday. If a pay date falls on a Saturday or a Sunday, employees will be paid on the Friday prior to the payroll date.

8.4.1.2 Time Sheets

Time cards or time sheets are required for all hourly employees and must be submitted on designated due dates. A schedule will be supplied to all employees and department heads. Late time cards and/or timesheets may delay processing of payroll checks. Incomplete and/or unsigned time cards or time sheets will be returned to the supervisor for correction. Paychecks for employees who submitted late time cards and/or timesheets will be disbursed on another business day as requested by the employee.

8.4.1.3 Overtime and Holiday Time

Huston-Tillotson University discourages overtime and working on official University holidays by non-exempt employees except those in positions who provide 24 hour coverage such as residence hall staff. **Under no circumstances are non-exempt employees to work overtime or on official University holidays without prior knowledge of and approval by the supervisor and the Unit Vice President.** Non-exempt employees who work overtime without prior approval will be subject to disciplinary action. If University operations require non-exempt employees to work overtime, advance notice will be by the supervisor. Compensation will be provided at a rate of one and one-half times the regular rate of pay computed on a 7 day, 40 hour work week.

Some essential employees, such as Lobby Monitors, Central Services, and Information Technology will be required to work during official school breaks because of the necessity for their service. Work performed during official school breaks is not considered overtime, unless the employee works more than 40 hours in the workweek, nor is it considered holiday time.

Huston-Tillotson University recognizes a work week beginning each Sunday morning at 12:00 a.m. and ending the following Saturday midnight.

8.4.1.4 Automatic Deposit

All full time employees hired after June 30, 2001, must participate in automatic deposit. Full-time and part-time employees hired before June 30, 2001, are strongly encouraged to have Huston-Tillotson University deposit their pay into a checking or savings account with a bank, financial institution, or credit union of their choice. An account must already be established at the financial institution prior to signing up for automatic deposit.

Enrollment or changes in account forms are available in Payroll and Human Resources. The enrollment form (Authorized Agreement for Automatic Deposit) must be accompanied by a voided check (for checking account deposit), a deposit slip (for savings account deposit), or a specification sheet from the financial institution and must be received no less than two pay periods in advance of the date automatic deposit is to begin. Employees will be given a paper check until their automatic deposit begins. Participants will receive a notice of deposit and the regular pay stub with an explanation of pay and deductions each payday.

8.4.1.5 Salary and Salary Adjustment

All salaries are determined at the time of appointment, and are specified to the employee in writing. Salaries are reviewed periodically and may be adjusted by the President, based upon employee performance, changes in job responsibilities or employee status, revised budget authorization, or fiscal exigency. All questions regarding an employee's salary should be directed to the employee's supervisor or unit head.

8.4.1.6 Payroll Deductions

The University allows payroll deductions for University sponsored fundraising and/or University authorized deductions such as payments designated for employee benefits, employee direct deposit, UNCF, United Way, President's MASKED Ball, and court authorized and/or mandated deductions. With the exception of court, state, or federal authorizations, all other payroll deduction authorizations must be in writing from the employee. Authorization forms may be obtained from and returned to the

payroll officer.

8.4.1.7 Garnishment of Wages

Huston-Tillotson University is required by law to withhold portions of an employee's earnings to satisfy an outstanding debt when a court or other legally authorized agency requires such action. The University Payroll Office is responsible for administering payroll deductions as required by Notices to Withhold Income for Child Support, Tax Levies, and Writs of Garnishment. Although these documents should be served at the Payroll Office, they are sometimes initially directed to the employee's supervisor. Any departmental administrator who receives such a document shall immediately route it to the Payroll Office.

Federal and State law place limitations on the amount of deduction that may be taken and determine the priority of claims to be withheld from an employee's earnings. Nothing in this policy shall impose or limit requirements that may be otherwise imposed by law. The University may not discharge any employee because earnings have been subjected to wage withholdings.

A garnishment continues as long as the person is employed by the University or until the debt plus interest is paid in full or a Release of Writ is issued by the court. The University must discontinue the garnishment deduction if a Notice of Bankruptcy for the employee is received.

8.4.1.8 Supplemental Pay Policy

Supplemental Pay is compensation by the University beyond the established monthly base salary of an academic faculty member. Supplemental pay is intended for University activity that requires effort, either in degree or in nature, in addition to that defined under the individual's appointment. Normally this activity is short-term and does not become part of the individual's sustained responsibility. Summer appointments for individuals with academic year appointments, whether by salaries or other stipends, do not constitute supplemental pay.

It is the joint responsibility of the individual and the individual's immediate supervisor to ensure that the individual is fulfilling primary job responsibilities, and the activity leading to supplemental pay shall in no way detract from the performance of the individual's assigned responsibilities. All supplemental pay approval requests shall be initiated by the department chair/department head and reviewed and signed by the dean/director, the unit vice president, the budget analyst and the human resource director before work/activity commences. **The President must approve the request before the activity commences.** The rate to be paid to an individual as supplemental pay for a given service will be negotiated between the individual and the director or department chair receiving the service and will be subject to the approval of the individual's department chair, academic dean or director, vice president, and the President.

Positions or duties that involve supplemental pay shall be treated as an appointment. Forms to request Supplemental Pay must be completed and approved prior to any agreement with, or commitment to, the faculty member in question and should be submitted at the same time as regular faculty appointments, unless funding is received after appointments have been made for the academic year. If funding is received during an academic year, after the regular appointment has been made, then a revised appointment letter may be issued to reflect the inclusion of the supplemental pay.

Prior to engaging a Huston-Tillotson University faculty member to perform services for which supplemental payment is requested from the University, each of the following approvals must be obtained on the Request for Supplemental Pay form:

1. A program or project director, department chair, dean, vice president or the President may request supplemental payment for a faculty or staff member.
2. Review and/or approvals must be obtained from the following:
 - a. The individual having budgetary responsibility for the account(s) to be charged;

- b. Department chair or supervisor of the individual to whom the supplemental pay is to be charged
 - c. Dean of the unit if applicable;
 - d. Vice President for Academic Affairs for faculty, Vice President for Administration and Finance for staff personnel;
 - e. Budget Analyst;
 - f. Director of Human Resources; and
 - g. President.
3. A faculty member is eligible for supplemental payment up to 20% of the academic year salary. Additional justification must be submitted to the President to exceed 120% of the academic salary. Approval of such justification must be received at least 45 days before proposed work is to begin.
 4. Staff supplemental pay is compensation paid by the University beyond the established base salary of a salaried staff employee. Staff supplemental pay is granted on an exceptional basis and only with the prior approval from the President. Requests for staff supplemental pay must be submitted directly to the President by the employee's supervisor and/or dean.

8.4.1.9 Delivery of Paychecks

All full-time University employees are paid through direct deposit. Payroll receipts are placed in employee mailboxes at 2 p.m. on each payday.

8.5 Financial Management – Travel Policies

All work-related travel by employees must be approved in advance by the supervisor and the unit head. The approval process includes the completion of a Request for Travel Form (8.2: Travel Expense Report). Such travel must have a direct relationship to the responsibilities of the employee submitting the request. All levels of approval, requests for travel advance, and reservations shall be submitted at least one month prior to the date of scheduled departure. In cases where personal funds are to be used for a trip, or funds are authorized in a grant or special project administered by an employee, written prior approval of the trip by the supervisor and unit head is still required. Failure to obtain this approval constitutes a violation of the purchasing policy.

The University will reimburse or pay for the following travel related expenses: round-trip transportation (air or ground), ground transportation while on location, lodging, meals, tips, parking, registration fees, and other approved expenses. No tickets will be ordered prior to receiving an approved purchase order from the Business Office. Receipts for ground transportation will be obtained and submitted on the Travel Expense Voucher (Appendix I).

All receipts for meals and lodgings must be submitted with the Travel Expense Voucher in order to obtain full reimbursement. If lodging was prepaid, indicate this on the voucher. In the absence of meal receipts, an employee will be reimbursed based on the maximum allowed by the Internal Revenue Service for the place of travel, per day to cover the cost of meal and tips. Check with The Business Office prior to traveling to determine the allowable rate for the location of travel.

The rate of reimbursement for personal automobile use on approved work-related travel is the official IRS rate per mile. Incidental expenses, such as tolls, Internet access, telephone calls, or emergency expenses must be reasonable and must include explanations and receipts for each expense. Gratuities and tips must also be explained and must be reasonable. Tips for meals must not exceed 20%. Tips for meals exceeding 20% will be borne by the employee – the University will not pay or reimburse tips for meals in excess of 20%.

A travel advance may be requested on a requisition form from the Business Office for all approved work-related travel. Hotel payments may be issued via check directly from the University to the

vendor. Similarly, airline bookings and payments may be made directly by the University to the vendor.

A travel advance may be requested on a requisition form from the Business Office for all approved work-related travel. Travel advances shall be limited to 80% of expenses beyond hotel, airfare and meeting registration fees when appropriate. The balance of actual expenses (up to 20% of the approved amount) shall be provided to the traveler upon presentation of all receipts for the trip taken. Hotel payments will be issued via check or credit card directly from the University to the vendor. Similarly, airline booking and payments will be made directly by the University with the vendor. Employees must file a separate Travel Expense Voucher for each travel advance received.

Upon completion of travel, an employee must submit a Travel Expense Voucher. This report, which details all the expenses of the trip as well as any travel advance received, ***must be turned in within five working days after completion of travel.*** Any unexpended advance funds must be submitted to the Business Office immediately upon return from all trips for which a travel advance was received or reimbursement for expenses is requested. A subsequent travel advance will not be issued to any employee with an outstanding travel advance, and the Business Office may hold any other reimbursements until all Travel Expense Vouchers are submitted. Failure to file this report promptly may delay any future trips as no further travel allowances will be allowed until all expense reports have been filed.

8.6 Financial Management- Student Accounts and Collections

8.6.1 Billing

All universal charges, charges associated with all students, are posted to the students' accounts at registration. These universal charges include tuition and fees. Room and board, health insurance and deferred payment charges are posted on accounts as associated with the individual student. These charges should be entered by the responsible departments no later than three (3) weeks after classes start for the fall and spring semesters and two (2) weeks after classes start for the summer semester.

Other charges that may be incurred on a student's account are residence hall, library and safety fines. The Student Affairs, Residence Life, Library, Facilities, and Campus Safety offices initiate these fines. An adjustment form (Appendix 8.7.1: Student Account Adjustment Form) is completed for each charge and submitted to the Officer of Student Accounts and Collections. At that point, the charge is added to the account for collection. It is the duty of the office submitting the request to inform the student of each charge.

Monthly statements are sent out by the 10th of each month. Statements are inclusive of all charges entered into the accounting system by the responsible departments by the 7th of the month. While school is in session, two copies of the statements are sent: one to the permanent address and the other to the local address.

Huston-Tillotson University does participate in third-party billing (examples include, but are not limited to, the Texas Tomorrow Fund, Texas Rehabilitation Commission, Department of Assistive and Rehabilitative Services, ROTC, Veteran's Administration). The Officer of Student Accounts and Collections requests that written notice is given at the time of registration when a third party is to be billed. A letter must be submitted each semester. The University anticipates payment within 30 days of receipt of billing unless the company/business states that it will render payment after final grades for the semester are issued.

8.6.2 Housing Deposits

At the time of acceptance into the University, students must send in their Application for Housing and the Housing Security Deposit of \$150.00 if they plan to live on campus. This deposit is logged into a separate holding account outside of the regular student account. If, upon reconciling accounts, a student's account is delinquent and the student is living on campus, the deposit will be charged to the student's account. Deposits into the holding account are retained until a student graduates or moves

off campus. Students who submit a Residential Deposit Refund Form will receive a refund of their housing deposit once they move off campus provided there are no outstanding charges on their student account and the inspection of the room has been completed with any charges (if applicable) posted to their student account. A student who has placed a deposit to reserve a room for the academic year, and subsequently determines that he/she will decline the room, must notify the Dean of Student Affairs in writing no later than April 15th for the ensuing academic year. Failure to provide written notification within the time specified will result in forfeiture of the student housing deposit.

It is the policy of Huston-Tillotson University that once a student has signed a contract committing to live in on-campus housing, the student is obligated to live in on-campus housing for the duration of that academic year. Should the student decide for any reason to withdraw from the University or move from the residence hall, the student is still responsible for the room and board (meal) charges for the entire academic year. There will be no refund or prorating of fees/charges nor cancellation of room and board (meal) charges assessed.

The Dean of Students will inform the Business Office to continue charging the student's account.

8.6.3 Refunds (Student Account Credit Balances)

Refunds for dropping classes and withdrawing from school are based on the percentage scale set forth in the current Bulletin. The refunds are prorated by the number of weeks a student lives in the Residence hall. The board charge and tax on board is non-refundable.

Refunds based on credit for dropping classes and overpayment on accounts due to personal payment or financial aid payments are issued each Friday at 2:00 pm by the Bursar. Every Wednesday, the Officer of Student Accounts and Collections generates a prospective refund list based on the students having a credit balance on their account at that time. The refund request is prepared for approval by the Financial Aid Office and the Controller. Once all the signatures are obtained, the approved refunds are given to the Accounts Payable Officer for payment. Denied refunds are filed in the student's folder.

8.6.4 Deferred Payment Plan Agreement

Huston-Tillotson University offers a limited deferred payment plan option, which requires balances to be current by mid-term examinations each semester to avoid administrative withdrawal. The administration reserves the right to administratively withdraw any student who fails to meet the obligations of the deferred payment plan as scheduled. In addition, the administration also reserves the right to deny a student admission to class, taking mid-term and final examinations, receipt of grades and/or transcripts, and participation in the Commencement Convocation if the account is not current. If a student opts for the payment plan, a \$25.00 non-refundable fee will be added and 80% of the entire balance must be paid at registration. All financial aid except University Work-Study is considered in determining the 80% due. The remaining 20% will be divided into equal monthly payments.

8.6.5 Prior Balance

No student who owes the University more than \$500 for a previous semester will be allowed to register for any subsequent semester. Balances must be \$500 or less before or at the time of registration by the following methods of payment: cash, check, money order, Visa, MasterCard, Discover Card or American Express.

It is the policy of Huston-Tillotson University to not use any federal aid funds to pay prior-year charges in excess of \$200. Without obtaining authorization from the student (or parent for PLUS loan), the University may use current-year federal financial aid funds to satisfy prior academic year charges for tuition, electronic course material fees and directed study not to exceed the maximum of \$200.

8.6.6 Student Account Analysis and Adjustment

Analysis and Adjustments are a regular part of the maintenance of student accounts. These are performed on an as needed basis but are particularly done before each mass mailing of student bills. Account analysis is performed to ensure that there are no billing or adjustment errors on a student's account. Adjustments are generally written-up by the Officer of Student Accounts and Collections, reviewed for accuracy by the Controller and then posted to the accounts by the Officer of Student Accounts and Collections. In some cases, adjustments are initiated by housing, student affairs, library and Physical Plant for fines accumulated by a student. The adjustment is then sent to the Administration and Finance Office for review and posting.

8.6.7 Collections

Upon a student not returning to the University, a collection letter is mailed to the last known address if he/she has a balance. If there is no response, two more letters are sent one month apart. After one year, at the end of each semester, if the University has not collected, the student is then referred to a collection agency with which the University is affiliated. The Officer of Student Accounts and Collections receives monthly journals regarding the efforts of the collection agency and reports the results to the Controller and Vice President for Administration and Finance.

8.6.8 Non-Certified Student Loans

Students who receive non-certified loans will have the funds applied to that student's account. Once registration has been completed and all financial aid has been received and applied to the student account, a refund check will be issued if there is a credit balance. The Business Office will give each student the option of signing a waiver to keep the remaining funds and apply them to the next semester's charges.

8.7 Financial Management-Inventory

8.7.1 Inventory Control

The Central Services Office serves as a centralized location for inventory and control. This function was established to aid in providing Huston-Tillotson University with the following capabilities:

- Establishing the identity of equipment in case of loss by fire, theft or disappearance.
- Identifying property acquired by sponsored projects.
- Providing information to determine departmental custody and responsibility.
- Providing historical information on location, age, country, source of funds for the purchase of assets, and similar data.
- Aiding in the maximum utilization of assets, especially equipment, and expediting the transfer of such items from department to department.
- The Controller is responsible for insuring that the inventory is complete and in order.
- The Central Services Officer is responsible for preparing a data sheet on all items of equipment purchased by the University. This data sheet will provide the following:

Date Received
Name of Items
Location
Department
Source of Funds (Institutional or Special Grant)
Condition

- The Central Services Officer affixes a label to all items for identification purposes.
- The data sheet is submitted to the Controller who identifies the source of funds and inputs individual items over \$1,000 into the accounting system inventory.

- When an item of equipment is secured from one Department or Office to another, the Central Service office must be notified in order to prepare the “Notice of Item Transfer” form.
- When an item of equipment is discarded or stolen, the Central Services Office must be notified.

8.7.2 Receipt of Equipment

The Central Service Office must be notified of all equipment received by any Unit of the University, including donated equipment. He/she will then work with the Central Services Officer implementing the completion of the appropriate inventory control form(s).

8.8 Financial Management-Investment Policy

It is the purpose of the Huston-Tillotson University Endowment Fund (herein defined as all investment assets managed by the Investment Committee of Huston-Tillotson University) to acquire, hold, manage, and control investment accounts and funds for the exclusive benefit of the University and its on-going programs. The Board of Trustees of Huston-Tillotson University (herein referred to as “HT”) has appointed an Investment Committee to exercise, on behalf of the Board, management and control of such investment accounts and funds.

8.8.1 Purpose

This statement of investment policy is set forth by Huston-Tillotson University in order to:

1. Establish a clear understanding for all involved parties of the investment policy objectives and guidelines that govern the University’s investment activities.
2. Define and assign the responsibilities of all involved parties.
3. Provide specific guidance to the Investment Manager regarding the investment of HT Endowment Funds.
4. Establish a basis for evaluating investment results by investment managers.
5. Manage the funds according to the social principals or initiatives developed and approved by the Board of Trustees or President, from time to time.

8.8.2 Objective

It shall be the objective of the Board of Trustees and Investment Committee to manage the Endowment Fund to achieve superior long-term performance while, at the same time, maximizing current income to meet the financial requirements of the University. Further, it shall be the objective of the Board of Trustees and Investment Committee to review the Investment Policy periodically to ensure it remains consistent with the best interest of HT.

8.8.3 Philosophy

Prudent management of the Endowment Fund’s assets requires a carefully conceived, conservative investment strategy designed to obtain a total return (yield plus capital appreciation) necessary to preserve and ideally enhance the principal of such funds, while at the same time, providing a dependable source of income at the highest possible yield consistent with the conservative investment strategy outlined.

Allocation of assets for investment in the Endowment Fund may vary from time-to-time, as determined by the Investment Committee. Over time an appropriate balance will be sought among equities, fixed income securities, and/or cash or cash equivalents. On a quarterly basis, the Investment Committee will review the endowment portfolio to determine if re-balancing is required.

8.8.4 Definitions

The Endowment Fund is comprised of those assets, which have a long to indefinite investment time horizon. The Equity portion of the fund, invested primarily in common stocks, generally will be expected to be a more volatile option offering increased potential for higher long-term returns. The Fixed Income portion of the fund, invested primarily in bonds or notes, is intended to be less volatile and provide cash flow and somewhat lower long-term earnings than the equity portion of the fund. **Quarterly**, the Investment Committee may direct the investment manager (s) to invest in other assets for definite time periods with very specific expectations as to risk and return. However, the Endowment Fund is intended to provide a reasonable return and protection against inflation. By definition, the Endowment Fund will be comprised of various assets which, when taken together, are intended to achieve those goals.

8.8.5 General Investment Principles

1. Each Investment Manager, as a fiduciary, shall manage the funds entrusted to it and be primarily responsible in its actions through the Investment Committee and the Board of Trustees to HT. The Endowment Fund shall be invested by the investment manager (s), in its fiduciary capacity, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
2. Investment of the Endowment Fund shall be so diversified as to minimize the risk of loss, unless under the circumstances it is clearly prudent not to do so.
3. The Investment Committee may employ one or more investment managers of varying styles and philosophies to attain the Endowment Fund's objectives.
4. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.
5. The Endowment Fund may hold assets and properties, including real estate, contributed to or held by Huston-Tillotson University: (a) subject to an agreement or commitment requiring them to be held; (b) pursuant to instructions by the donors; or (c) after an express determination by the Investment Committee that in its judgment any such assets or properties are appropriate investments for Huston-Tillotson University.
6. If any asset or contribution is determined by the Investment Committee to be inappropriate, that asset will be disposed of in a prudent manner as decided by the Investment Committee.
7. The assets of HT may be invested as separately managed accounts or in commingled funds depending upon investment, administrative and cost considerations. Commingled funds will be subject to the diversification and quality guidelines of the fund manager.
8. Investment managers of equity or fixed income portions of the portfolio will be expected to produce rates of return that rank in the top 50% of their respective peer groups of similarly managed funds.
9. When selecting among investment alternatives which are suitable for HT's portfolio based on HT's Investment Guidelines, the investment manager should avoid investments in companies or industries that the Investment Committee has determined adversely affect human rights, contribute to the denial of such rights or threaten the quality of human life or of the environment, providing that the investment manager is able to identify alternatives with the same or superior reward/risk relationships. When identifying these companies or industries, the Investment Committee will give consideration to the actions of the appropriate policy

making bodies with the United Church of Christ and the United Methodist Church with respect to social issues. The Investment Committee has decided that investments in companies in the tobacco, liquor and gambling industries should be avoided to the extent possible within the above selection criteria.

If the Investment Committee selects only one investment manager to manage the University's portfolio, the investment in equities should reflect the following balanced mix with regard to company capitalization.

US Large Cap	45% - 60%
US Mid Cap	20% - 30%
US Small Cap	10% - 15%
International Developed & Emerging	5% - 15%

8.8.6 Gifts of Securities

Normally, the Committee will dispose of all securities received as gifts within ninety days of receipt if the stocks, bonds, or funds do not conform to the Policy Guidelines (unless otherwise negotiated with the donor), or in all instances where the gift is in securities already held in the University's portfolio. To facilitate the disposition of securities received as gifts, the President of HT is hereby fully authorized and empowered to transfer, endorse, sell, assign, set over, and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness, or other securities in the name of or owned by HT, and to make, execute and deliver any and all written instruments necessary or proper to effectuate the authority hereby conferred.

8.8.7 Minority Investment Organizations and Brokerage Firms

To the extent practical within prudent investment guidelines, while recognizing their fiduciary responsibility, the Investment Committee will endeavor to hire minority investment firms if they meet its selection criteria, and will direct their investment managers to utilize the services of minority brokerage firms that may be approved by the Investment Committee. Such approved firms will be reflected in the minutes of the Investment Committee.

8.8.8 Investment Mix

As a general rule, the following limits are for the asset classes of the Plan:

	Minimum	Maximum	Preferred
Equities	45%	65%	50%
Fixed Income Securities	25%	45%	30%
Cash and Cash Equivalents	5%	20%	10%
Real Estate	0 %	5%	5% Alternative
Investments (excl. hedge funds)	0%	5%	5%

The Investment Manger may structure the portfolio within these ranges; however, the Manager may not shift the individual asset allocation by more than 10 percentage points within a twelve-month period without written permission of the Investment Committee.

Although hedge funds are excluded from this policy, allowable alternative investments include tangible assets such as oil, gold, silver and timber.

8.8.9 Approved and Prohibited Investments

8.8.9.1 Marketability of Assets

All Endowment Fund assets must be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the fund, with minimal impact on the market price. The

investment manager(s) shall invest in the following assets or in funds invested solely in the following assets.

8.8.9.2 Approved Investments

8.8.9.2.1 Equity

Allowable Assets

Common Stocks
Convertible Preferred Stocks
Preferred Stocks
Stocks of non-U.S. Companies (ordinary shares)
Stocks of non-U.S. Companies in emerging markets
Other investments as approved by the investment committee

Diversification:

Up to 50% of the Equity portion of the portfolio may be invested in an approved index fund based on the initial investment cost. The equity portion of the fund should be appropriately diversified by sector, by industry and by individual company, and should reflect the investment style of the manager. In order to achieve a prudent level of portfolio diversification, the securities of any one company should not exceed 5% of the total fund, and no more than 10% of the total fund should be invested in any one industry, based on cost or market value. (Note: Total fund should be interpreted as total endowment fund).

No more than 25% of the market value of each manager's portfolio may be invested in companies in which the combined holdings of the manager's clients constitute 5% or more of the outstanding stock.

Domestic managers should invest no more than 15% of the market value of the portfolios they are responsible for in the equities of companies headquartered outside the U.S. Securities of foreign issuers held in each manager's portfolio should be traded in markets which the manager believes provides the investor with sufficient liquidity, is politically stable and which adhere to fair, safe and orderly trading and settlement practices and procedures.

Size and Quality:

No more than 20% of each manager's portfolio, at market value, should be invested in companies defined as "Small Cap" with a market capitalization of less than \$1.197 Billion. Investments in companies defined as "**Medium Cap**" with a market capitalization of \$1.197 Billion to \$9.594 Billion **should not exceed 35%** of each manager's portfolio at market value. Each manager's portfolio, at market value, should not contain a concentration in excess of **60% in the securities** of companies **defined as "Large Cap**. Large Cap companies are generally defined as having market caps in excess of \$9.594 Billion. **No more than 15 percent of each manager's portfolio, at market value, should be invested in International Developed and International Emerging markets combined.**

Performance Benchmark:

Standard and Poor's 500 Index or other index with a composition more closely matching the individual investment managers fund composition.

8.8.9.2.2 Fixed Income

Allowable Assets U.S. Government and Agency Securities
Corporate Notes and Bonds
Corporate Notes and Bonds (Maximum maturity not to exceed 16 years)
International Bonds
Municipal Bonds
TIPS
Other investments as approved by the Investment Committee

Maximum Duration The maximum duration for any single fixed income security is 16 years.

Quality: Issued by the U.S. Treasury or an agency of the U.S. Government, or investment grade corporate bonds rated 'A' or better by Moody's Investor Services or Standard & Poor's. Instruments of U.S. Government Agencies must have repayment guaranteed by the full faith and credit of the U.S. Government.

Diversification: **A commercial obligation is limited to a maximum per issuer of the lesser of \$250,000 or 5% of total assets;** no more than 40% of the fixed income investments can be in corporates.

With the exception of securities issued or guaranteed by the U.S. Government or its agencies, no single issuer's securities should exceed 5% of each investment manager's portfolio at current market prices.

Performance Benchmark: Barclays Capital Intermediate Government Credit Index
Barclays Capital US Corporate Index
Barclays Aggregate

8.8.9.2.3 Cash and Cash Equivalents

Any other specifically approved investment options.

8.8.9.2.4 Approved Assets

Cash in approved depository institutions (Deposit levels should be maintained within FDIC insurance limits).

Treasury Bills
Money Market Funds containing securities whose credit rating at the absolute minimum would be rated investment grade by Standard & Poor's, and/or Moody's
Commercial Paper rated A1 or P1 (or equivalent) or better
Banker's Acceptances
Repurchase Agreements
FDIC (or equivalent) insured Certificates of Deposit
Other investments as approved by the Investment Committee

Diversification: Cash and Cash equivalents should **not exceed 20%** of the total portfolio.

8.8.9.2.5 Real Estate

Allowable Assets Real Estate Investment Trust (REIT)
Global Public REITs
Domestic Public REITS:

Size and Quality Investments in Real Estate investments shall range between 0 – 5% of

the total portfolio. Investing in REITs is a liquid, dividend-paying means of participating in the real estate market. Investments are made through purchasing shares directly or by investing in a mutual fund that specializes in public real estate. An additional benefit to investing in REITs is that many are accompanied by dividend reinvestment plans. REITs invest in shopping malls, office buildings, apartments, warehouses and hotels.

Performance Benchmark NAREIT Equity Index
NCREIF Property Index

8.8.9.2.6 Alternative Investments

Allowable Assets Commodities
High-Yield Bonds

Size and Quality Investments in alternative investments shall range between 0 – 5% of the total portfolio. Alternative investments have modest correlations with traditional investments and so to increase the diversification of the portfolio.

Performance Benchmark S&P Goldman Sachs Commodity Index
S&P Small Cap 600 Index

Stock and Commodities Exchanges

To ensure marketability and liquidity, investment managers will execute equity transactions through the following exchanges: New York Stock Exchange; American Stock Exchange; NASDAQ over-the-counter market; and Chicago Mercantile Exchange. In the event an investment manager determines that there is a benefit or need to execute transactions in exchanges other than those listed in this statement, prior approval will be required by the Investment Committee.

8.8.9.3 Prohibited Assets

Prohibited assets include, but are not limited to the following:

1. Purchasing or selling regulatory contracts.
2. Purchasing or selling hedge funds.
3. Pledging, mortgaging, or hypothecating any securities except for loans of securities that are fully collateralized.
4. Borrowing money in order to create financial leverage.
5. Utilizing options, puts, call straddles and/or spread.
6. Purchasing securities on margin or making short sales.
7. Purchasing securities of the investment manager, its parent, or its affiliates.
8. Venture capital transactions.
9. Church bonds of any type.
10. Purchasing private placements without prior written Investment Committee approval.
11. Purchasing or selling any derivative instruments without written Investment Committee approval.
12. Investing in a line of credit without express consent of the Investment Committee.

8.8.10 Investment Manager

The Investment Committee considers it prudent to select an Investment Manager(s) for active management of the Endowment Fund assets. Such manager(s) shall be selected by the Investment Committee. While the Investment Manager may be granted discretionary authority within specified

guidelines, the Investment Committee shall at all times retain final fiduciary responsibility for all of its investments.

Subject to the parameters established by the Investment Policy (or to any other written directives of the Investment Committee), the Investment Manager will have full investment discretion to purchase, sell or hold the specific securities that will be used to meet the Funds investment objectives.

The goal of the manager is to meet or exceed the market index, or indexes, established by the Investment Committee that most closely corresponds to the style of the Investment Manager. Additionally, the overall level of portfolio risk should be consistent with the risk associated with the specified benchmarks.

The Investment Manager(s) will be expected to adhere to the investment management style for which it was hired, and will be evaluated regularly for adherence to investment discipline.

8.8.10.1 Investment Manager Performance Review and Evaluation

Performance reports shall be compiled at least quarterly and communicated to the Investment Committee for review. The Investment Manager(s) will report the following information quarterly: total return net of all commissions and fees, additions and withdrawals from the account, current holdings at cost and market value, and purchases and sales for the quarter. The investment performance of the total portfolio, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Investment Committee intends to evaluate the portfolio over at least a three-year period, but reserves the right to terminate a manager for any reason including the following:

1. Investment performance, which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.
4. A change of investment direction by the Investment Committee.

The Investment Manager(s) shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact its ability to achieve the desired investment results.

8.8.11 Investment Policy Review

To ensure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the Investment Committee plans to review the investment policy at least annually.

The _____ (name of committee) whose signatures appear below adopts this statement of investment policy on _____, 20__:

Approved November 6, 2009, by Board of Trustees, Huston-Tillotson University:

8.9 Financial Management-Spending Policy

This policy will apply to all Trusts, Funds and Endowments which are a part of Huston-Tillotson University, unless the document establishing an individual Trust requires a different method of determining amounts to be distributed for operating purposes.

8.9.1 Purpose

Set forth the policies and guidelines which will determine the amounts which will be available for expenditure.

Increase principal at a rate that will allow future expenditures to, at a minimum, keep pace with inflation.

Provide a stable, increasing cash flow from year to year.

8.9.2 Spending Policy

Amounts available for expenditure from Endowment #1702 will be 3.5% of a five-year moving average of the market value of the assets.

8.9.2.1 Calculation of Spending Percentage

1. The market value of the total assets will be calculated on fiscal year ends for the #1702 investment portfolio for the most recent five-year period and an arithmetic average will be taken of those market values.
 2. The amount available for expenditure will be 3.5% of the average.
 3. In the event the application of this spending rule results in funds available which are less than the amount budgeted for expenditure, the Investment Committee may review this policy to consider increasing the amount available for expenditure.
 4. In the event the application of this spending rule results in income available that is more than the amount budgeted for expenditure, the Investment Committee may review this policy to consider decreasing the amount available for expenditure.
- B. In accordance with the restrictions on Endowment #1704, which state in the Department of Education Regulations that “during the grant period, a maximum of 50% of the aggregate earned income will be available for spending. The other 50% must be reinvested with the Endowment corpus.”

8.9.2.2 Spending Policy Review

To ensure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of spending policy, the Investment Committee plans to review the spending policy at least annually.

BUDGET TRANSMITTAL SHEET

FISCAL YEAR 200X-200Y

(COVER PAGE TO SUBMIT BUDGET PACKET TO UNIT VP)

DATE: _____

TO: _____ (Unit VP)

FROM: _____

DEPARTMENT/UNIT: _____ DEPT #: _____

ATTACHMENT (check all that apply):
(Remember to send original and one (1) copy to Unit VP.)

- Salaries Budget Request
- Line Item Budget Request
- Additional Funds Requisition
- Technology/Equipment Budget Request
- Budget Request Sign-Off form
- Questionnaire
- Other

FOR BUSINESS OFFICE USE ONLY

Date Rec'd _____
(check materials received)

Acknowledged by: _____

- | | |
|---|---|
| <input type="checkbox"/> Salaries Budget Request | <input type="checkbox"/> Technology Budget Request |
| <input type="checkbox"/> Line Item Budget Request | <input type="checkbox"/> Additional Funds Requisition |
| <input type="checkbox"/> Budget Request Sign-Off Form | <input type="checkbox"/> Other _____ |

BUDGET REQUEST SIGN-OFF FORM

FISCAL YEAR 200X-200Y

Department: _____ Dept #: _____

I endorse this budget and supporting documentation and certify that they clearly correlate the total dollar level of the request to the proposed plans and activities within this department/unit.

Signed: _____ Date: _____
Budget Manager

Signed: _____ Date: _____
Supervisor (if applicable)

Signed: _____ Date: _____
Dean (if applicable)

SEND ORIGINAL AND ONE (1) COPY OF THIS BUDGET REQUEST PACKET (INCLUDING SIGN-OFF SHEET) TO THE VP FOR THIS DEPARTMENT/UNIT.

MAKE AN ADDITIONAL COPY FOR YOUR RECORDS.

NOTE: COMPLETED REQUEST MUST BE SUBMITTED TO THE UNIT VP ON OR BEFORE NOVEMBER 20, 200X.

Vice Presidential Review

This is to certify that I have reviewed this budget request and ensure that the provisions made within it are in accordance with the goals, objectives, and activities of Huston-Tillotson University.

Reviewed and
Recommended By: _____ Date: _____
Unit Vice President

SEND ORIGINAL BUDGET REQUEST PACKET TO VP FOR A&F. KEEP A COPY FOR YOUR RECORDS

NOTE: SIGNED REQUEST MUST BE SUBMITTED TO THE VP FOR A&F ON OR BEFORE DECEMBER 3, 200X.

COMMENTS:

**SALARIES BUDGET REQUEST
Unrestricted & Restricted Funds
FISCAL YEAR 200X-200Y**

Dept Name

Dept #

This form must be used to request additional budgetary funding for SALARY ITEMS ONLY in which the request exceeds the prior year (200W / 200X) approved budget or for which no funding was approved in the prior year (i.e. a new position). EXPLANATION MUST INCLUDE FOR EACH EMPLOYEE / POSITION.

New positions are subject to review by the Budget committee and executive approval.

*R = Restricted; U = Unrestricted

Employee / Position	Prior Year Approved Budget (200W/200X)	*R U	Rest. Funds Source	FY 0809 Budget Request	Explanation

Appendix 8.1.1. Budget Amendment Request



BUDGET AMENDMENT REQUEST

Date Submitted: _____
Department: _____
Department #: _____

<i>LINE ITEM #</i>	<i>LINE ITEM DESCRIPTION</i>	<i>CURRENT BUDGET</i>	<i>NEW BUDGET REQUESTED</i>	<i>DIFFERENCE BETWEEN NEW AND CURRENT</i>
				0
				0
				0
				0
				0
				0
				0
			TOTAL CHANGE	0

NOTE: TOTAL CHANGE SHOULD NOT BE GREATER THAN "0"

BUDGET MANAGER: _____ **Date:** _____
 Signature

SUPERVISOR/VP: _____ **Date:** _____
 Signature

COMMENTS: _____

SUBMIT COMPLETED FORM TO BUDGET ANALYST

For Business Office Use Only:
 Date Received:
 Dated Posted:
 Entered by:

Appendix 8.3.2.1. Requisition for Funds

 <p>REQUISITION FOR FUNDS <i>Incomplete forms will be returned to requestor and may delay processing.</i></p>		<p>Business Office Only</p>		
		<p>Req. No. _____</p>		
		<p>P. O. No. _____</p>		
		<input type="checkbox"/> CHECK	<input type="checkbox"/> PURCHASE ORDER	
FROM: _____	EXT: _____	<input type="checkbox"/> PICKUP <input type="checkbox"/> MAIL <input type="checkbox"/> OTHER		
DEPT: _____		*DATE NEEDED BY (Required): _____		
BUDGET SOURCE: <input type="checkbox"/> Unrestricted Funds <input type="checkbox"/> Restricted Funds		*ALLOW 7 - 10 DAYS FOR PROCESSING		
BUDGET SOURCE NAME (Required): _____				
BUDGET SOURCE NUMBER (Required): _____				
PAYEE: _____				
ADDRESS: _____				
CITY: _____		STATE: _____	ZIP CODE: _____	
TELEPHONE: _____		FAX: _____	CONTACT PERSON: _____	
QTY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT
PLEASE ATTACH (STAPLE - DO NOT USE PAPERCLIPS) SUPPORTING DOCUMENTS. ALL CHECK REQUESTS REQUIRE SUPPORTING DOCUMENTATION (I.E., INVOICE, QUOTE).			TOTAL	
		Restricted Grants Only	Business Office Use Only	
Requestor's Signature Date		Activity Director Date		<input type="checkbox"/> 1099 Payment A/P _____ DATE: _____
Supervisor / Dean Date		Program Director / Coordinator Date		
Unit Vice President Date		Fiscal Analyst Date		COMMENTS / SPECIAL INSTRUCTIONS:
Budget Analyst / Information Tech / Facilities Date		_____		
If over \$1,000		_____		
President Date		President Date		

8.3.2.4. Returned Requisition Form

Date: _____

To: _____

Department: _____

From: Budget Analyst

RE: Explanation of Returned Requisition

The attached requisition(s) is/are being returned to you for the following reason(s):

- Exceeds budget authority – in excess of remaining authorized budget for line item to be charged:

Line item coding: _____

Remaining budget as of _____: \$ _____

Amount requested on attached requisition(s) \$ _____

- Additional information required – please resubmit requisition with the following additional information attached:

- Other – as explained below:

<p>Form W-9 Rev. November 2009 Department of the Treasury Internal Revenue Service</p>	<p>Request for Taxpayer Identification Number and Certification</p>	<p>Give form to the requester. Do not send to the IRS.</p>
Print or type See Speed to Instructions on page 2.	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other (if _____) <input type="checkbox"/> Exempt from backup withholding	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note: If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number						
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%; border: 1px solid black; height: 20px;"></td> </tr> </table>						
OR						
Employer identification number						
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%; border: 1px solid black; height: 20px;"></td> </tr> </table>						

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. person (including a U.S. resident alien).

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here	Signature of U.S. person (if _____)	Date (if _____)
------------------	-------------------------------------	-----------------

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
 - A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
 - Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.
- Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.
- The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:
- The U.S. owner of a disregarded entity and not the entity,

Appendix 8.3.2.7.3. Individual Consultant Form



INDIVIDUAL CONSULTANT FORM

NOTE: THIS FORM IS FOR NON-EMPLOYEES ONLY. SEE SUPPLEMENTAL PAY FORM FOR EMPLOYEES.

Please fully complete request. Incomplete forms will be returned to requestor and may delay payment.

CONSULTANT: _____ **Social Security Number:** _____

Street Address: _____ **Date(s) of service:** _____

City, State Zip: _____ **Budget Source Name:** _____

Requested by: _____ **Budget Source Number:** _____

****ATTACH IRS FORM W-9**

Description of Services Provided	
Description of Expense(s)	Amount
TOTAL TO BE PAID	
\$0.00	
I certify that I have provided the services stated above and that I am entitled to the payment stated, herein, for said services.	COMMENTS
CONSULTANT'S SIGNATURE	DATE
I certify that Consultant is entitled to the amount stated, herein, and that the funds are available in the budget stated above from which to pay Consultant.	
REQUESTOR'S SIGNATURE	DATE

SUBMIT WITH "REQUISITION FOR FUNDS" FORM FOR PAYMENT

"New consultants/independent contractors are required to submit a W-9 form. Established consultants may submit a W-9 form to update information submitted on previous forms.

8.2.: Travel/Training Request Form



TRAVEL/TRAINING REQUEST

Please fully complete request. Incomplete forms will be returned and may delay review/approval of request.

Requestor: _____ Department: _____
 Destination: _____ Budget Source #1 Name: _____
 Date(s) of travel/training: _____ Budget Source #1 Number: _____
 Nature of Request (i.e., Workshop, Conference) _____ Budget Source #2 Name: _____
 _____ Budget Source #2 Number: _____
 _____ Other Source(s): _____
 Purpose of Travel/Training and Disposition of Work: _____

Proposed Budget	Budget Source #1	Budget Source #2	Other Source(s)		Category Totals
Registration Fees					0.00
Airfare (Coach Only)					0.00
Auto mileage @ ___¢/mile # of Miles					0.00
Auto Rental (# Days ___) Rate Per Day \$					0.00
Taxi/Ground Transportation					0.00
Lodging (# Days ___) Rate Per Day \$					0.00
Meals & Incidentals (Per Diem \$)					0.00
Other Expense(s):					0.00
					0.00
					0.00
REQUESTOR SIGNATURE: _____ Date _____				TOTAL EXPENSES	0.00

APPROVED BY:		
SUPERVISOR/DEAN: _____	Date _____	COMMENTS _____ _____ _____
VICE PRESIDENT: _____	Date _____	
PRESIDENT: _____	Date _____	
BUSINESS OFFICE: _____	Date _____	

RETURN APPROVED FORM TO REQUESTOR
 COPY OF APPROVED REQUEST MUST ACCOMPANY ALL REQUISITIONS RELATED TO THIS TRAVEL/TRAINING REQUEST.
 ORIGINAL APPROVED REQUEST MUST ACCOMPANY TRAVEL EXPENSE REPORT UPON COMPLETION OF TRAVEL.



TRAVEL EXPENSE REPORT

FOR TRAVEL EXPENSES ONLY

Please fully complete travel expense report. Incomplete forms will be returned and may delay reimbursement.

Date Submitted: _____ Department: _____
 Name of Claimant: _____ ID Number: _____
 Place of Travel: _____ Budget Source #1: _____
 Date(s) of Travel: _____ Budget Source #2: _____

REQUIRED: ATTACH ORIGINAL APPROVED TRAVEL/TRAINING REQUEST

EXPENSE DISTRIBUTION

DATES									Category Totals
Airfare									0.00
Auto mileage (miles per day)									
¢ per mile	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Auto Rental									0.00
Taxi/Ground Transportation									0.00
Lodging									0.00
Meals									0.00
Tips									0.00
Parking									0.00
Other Expense(s):									0.00
									0.00
									0.00
Daily Totals	0.00								

I certify that the amounts listed above were expended for and during the trip in accordance with the University's expenditure policies; and that each amount shown is correct.

CLAIMANT SIGNATURE: _____ Date: _____
 SUPERVISOR/DEAN: _____ Date: _____
 VICE PRESIDENT: _____ Date: _____
 PRESIDENT: _____ Date: _____
 RESTRICTED GRANTS: _____ Date: _____
 (If Applicable)
 BUSINESS OFFICE: _____ Date: _____

TOTAL EXPENSES	0.00
LESS ADVANCES	
*AMOUNT DUE TO CLAIMANT	0.00
AMOUNT DUE TO UNIVERSITY Attach Receipt	0.00
<i>*Allow 7 - 10 working days for reimbursement</i>	
<i>For Business Office Use Only</i>	
Acct# _____ Amt _____	
Acct# _____ Amt _____	
Acct# _____ Amt _____	

***APPROVED TRAVEL/TRAINING REQUEST REQUIRED FOR REIMBURSEMENT**

