

- 6.31 Depository banks selected shall furnish adequate securities to assure safety of these funds. Local funds shall be deposited in the depository banks as soon as possible, but in no event later than seven days from the date of collection. Demand deposits and time deposits will be maintained in accordance with the current policies of the Board.
- 6.32 The Board and the Component Presidents may not, by law, borrow money from any person, firm, or corporation to be repaid from local funds except as specifically authorized by the Legislature.
- 6.33 As permitted by statute, interest received from depository banks for funds on time deposit shall be credited to the appropriate accounts in either general funds or trust funds, in relationship to the sources of balances on time deposit, provided that deposition of such earning was not specified by the grantor.
- 6.4 State Appropriated Funds - Including Local Funds in State Treasury. The Board delegates authority to the Chancellor for the System's Office and the Presidents for their respective Components to sign state vouchers. The Chancellor and Presidents are permitted to delegate this signature authority to other personnel by letter and signature card to the Texas State Comptroller's Office. Local Funds in the State Treasury are to be accounted for and utilized for the Component's operation in accordance with *Education Code, Section 51.008*.
- 6.5 Purchase Vouchers. Each Component President is authorized to delegate signature authority for purchase vouchers to one or more fiscal officers. At the time of approval, purchase vouchers shall have attached all relevant documentation to support the disbursement.
- 6.6 Institutional Funds. The Board delegates authority to the Chancellor for the System Administrative Office and the presidents for their respective Components to establish local bank accounts as deemed necessary. All local checks must be signed by two Component officers, at least one of whom is a fiscal officer. A check signer with authorized facsimile signatures may be used on checks for less than \$25,000. All checks in the amount of \$25,000 and over shall have the original signature of two fiscal officers. Payments in the amount of \$25,000 and over made by Automated Clearing Housing ("ACH") shall have the original signature of two fiscal officers on the voucher documentation supporting the payment.
- 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 Biennial Appropriations Requests. All Component Requests for Biennial Appropriations shall be submitted to the Board for approval prior to the convening of the Legislature in the following January. Such requests shall be prepared by the chief fiscal officer and approved by the President of the Component in accordance with the requirements promulgated by the Legislative Budget Board, the Governor's Office of Budget and Planning, and the Texas Higher Education Coordinating Board.

6.73 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.

6.74 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).

6.75 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.

6.76 Investment Report. A quarterly investment report will be prepared by each Component as prescribed by The Texas State University System Investment Policy. 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 Administrative Office reporting guidelines. Each Component's quarterly investment report is due in the System Administrative 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, with such funds fall within the following objective guidelines established by the Board, and the Component President is authorized to implement this policy through appropriate directives and delegation.

6.81 Direct Purpose. Expenditures of Component funds that are not otherwise restricted for food, refreshments, and achievement awards must have one or more of the following guidelines as a direct purpose: