

**GOVERNORS STATE UNIVERSITY
BOARD OF TRUSTEES**

REGULATIONS

Issued July 12, 1996

With Amendments adopted by the board on June 12, 1998 and October 14, 2011

SECTION V. ADMINISTRATIVE AFFAIRS

A. Budget and Appropriations Process

1. Budget Requests

The President shall establish guidelines and procedures for preparation of operating and capital budget requests for the University. The President shall review and make recommendations concerning the requests and submit them to the Board for approval. The President shall submit budget requests approved by the Board to the Board of Higher Education and shall take such actions on the Board's behalf as are necessary and appropriate during the Board of Higher Education budget review process.

2. Appropriations Requests

The President shall prepare the University's requests for operating and capital appropriations. The President shall introduce appropriations requests based upon budget requests approved by the Board in the appropriate house of the General Assembly and shall take such actions on the Board's behalf as are necessary and appropriate during the appropriations process.

3. Financial Plans and Reports

- a. The President, after consultation with the Committee on Finance and Budget, shall establish guidelines and procedures for the preparation of an annual financial plan for appropriated and non-appropriated funds which shall be submitted to the Board for review.
- b. The President, after consultation with the Committee on Finance and Budget, shall establish guidelines and procedures for the preparation of financial reports for the Board.

4. Line Item Transfers

The President, subject to the provisions of State law, may approve appropriation line item transfer requests and shall present a report at each regular meeting of the Board on appropriation line item transfers approved since the preceding regular Board meeting.

B. Purchases

Purchases consist of contracts, purchase orders, or other agreements (collectively referred to in this Subsection B. as “contracts”) for the receipt of services or the acquisition of real or personal property which obligate financial resources of the Board. The financial resources of the Board include all funds received by or belonging to the Board and the University, including income received and retained in accordance with 30 ILCS 105/6a-1e. All purchasing transactions shall be conducted in accordance with applicable State and Federal statutes and regulations and applicable regulations adopted by the Board.

1. Approval

Approval of purchases shall be obtained, prior to the obligation of financial resources of the Board, as follows:

- a. All transactions involving the acquisition of real property and purchases of \$100,000 or more (except as specified in paragraph d. below) shall require approval by the Board.
- b. Authority for approval of purchases other than those referred to in paragraph a. above is delegated to the President.
- c. In the event of an emergency, the President may grant an exception to the requirement of Board approval of a purchase if, in the opinion of the President, (i.) immediate action is required, (ii.) a reasonable effort has been made by the President to consult individually with members of the Board of the Executive Committee, and (iii.) there is insufficient time to obtain approval by the Board or the Executive Committee before action must be taken. The President shall present a report on exceptions granted under this provision at the next regular meeting of the Board.
- d. Approval by the Board under paragraph a. above is not required for the following purchases: natural gas, utility services, fire protection, library books and periodicals, textbooks, food products, entertainment services paid for with student fees and/or ticket sales receipts, resale items, postal charges, and approved items bid through the Illinois Public Higher Education Cooperative.

2. Reports

At each regular meeting of the Board, the President shall present a report on purchases of at least \$50,000 but less than \$100,000 (other than purchases listed in paragraph 1.d. above) made since the preceding regular Board meeting.

3. Contract Preparation and Signature

- a. The Board of Trustees of Governors State University, constituted a body corporate and politic, is the contracting entity for all contracts involving the Board and the University.
- b. The President is authorized to sign all contracts for the University.

4. Letters of Intent

A letter of intent (or similar document) may be signed by the President when in her or his judgment a letter of intent is necessary to insure receipt of an advantageous price or delivery date for goods or services and approval of the purchase by the Board as required by paragraph 1. above cannot be timely obtained. Such letters of intent shall provide that the purchase may be terminated without any cost, liability, or obligation if approval of the Board as required by paragraph 1. above is not obtained by a specific date and shall contain such other conditions as may be considered appropriate by the person signing the letter of intent.

5. Internal Management Guidelines

The President shall develop internal management guidelines concerning purchases, which shall include the following provisions and such other provisions as are necessary and appropriate.

- a. Provisions intended to ensure the fair and equitable treatment of all persons who provide goods or services to the Board.
- b. Provisions intended to foster competitive bidding and economical procurement to the greatest extent possible.
- c. Provisions intended to encourage the economical utilization and replacement of vehicles.

6. Change Orders

- a. The President is authorized to approve and sign change orders for the University.

- b. A change order or series of change orders which authorizes or necessitates an increase or decrease in either the cost of a contract by a total of \$10,000 or more or the time of completion by a total of 30 days or more shall not be approved unless it is first determined in writing by the President that the circumstances necessitating the change were not reasonably foreseeable at the time the contract was signed, the change is germane to the original contract as signed, or the change order or series of change orders is in the best interest of the University and is authorized by law. Such written determination and the written change order resulting from that determination shall be preserved in the contract's permanent file which shall be open to the public for inspection.
- c. In accordance with Section I.E. of these Regulations, the President shall further delegate the authority granted to her or him in the preceding paragraphs so that the same individual does not both approve a change order under paragraph a. and make a determination in writing that the change order is justified under paragraph b.
- d. Prior Board approval shall be required for each change order which (i.) increases a contract to \$100,000 or more, (ii.) exceeds a contingency previously approved by the Board, or (iii.) increases a contract previously approved by the Board without a contingency.

C. Income-Producing Contracts

Income-producing contracts include, without limitation, grants or contracts with public or private agencies for instruction, research, or service, as well as concession contracts and contracts for the conveyance, lease, license, encumbrance, or other disposition of real or personal property of the Board.

1. Approval

- a. Income-producing contracts shall require Board approval when the acceptance of any such contract results in changes to academic programs which would require subsequent approval by the Board of Higher Education.
- b. All contracts for the conveyance, lease, or encumbrance of real property shall require Board approval.
- c. Authority for approval of income-producing contracts, other than those requiring Board approval in accordance with paragraphs a. and b. above, is delegated to the President.

2. Reports

A quarterly report to the Board shall be presented by the President on income-producing contracts of \$10,000 or more received by the University.

3. Contract Preparation and Signature

- a. All income-producing contracts shall be in the name of the Board of Trustees of Governors State University. Except as provided in paragraph b. below, the President is authorized to sign income-producing contracts.
- b. All instruments relating to the conveyance, lease, or encumbrance of real property shall be signed by the Chairperson and Secretary of the Board.

D. Travel

Travel regulations issued by the Higher Education Travel Control Board, as may be amended from time to time, shall govern the reimbursement of employees and members of the Board from all fund sources except appropriately restricted funds donated to University foundations.

E. Business Expenses

The University shall develop a policy concerning the reimbursement from any University funds or expenses incurred in connection with the conduct of official business for individuals, organizations, or situations not covered by regulations of the Higher Education Travel Control Board. The policy shall be consistent with regulations issued by the Higher Education Travel Control Board to the extent possible and shall, except as otherwise provided herein, take effect when approved by the President. The policy shall include the following provisions and such other provisions as are necessary and appropriate.

1. Provisions concerning the reimbursement of expenses for transportation, meals, and living expenses.
2. Provisions concerning the reimbursement of expenses for institutional advancement and development efforts.
3. Provisions concerning the reimbursement of expenses for candidates for positions.
4. Provisions concerning the source of funds for reimbursement of business expenses.

Provisions concerning the reimbursement of expenses for institutional advancement and development efforts shall, to the extent permitted by State law, rules, or regulations, take effect upon approval by the President.

F. Moving and Relocation Expenses

1. The term “employee,” as used herein, includes all full-time faculty and selected administrative and civil service employees hired from outside the commuting area of Governors State University. The President shall define the administrative and civil service positions in each university that are eligible for reimbursement for moving and relocation expenses.
2. Moving or relocation expenses associated with the appointment of the President shall be limited to reasonable and actual expenses and shall be subject to approval by the Board. Moving or relocation expenses associated with the appointment of other employees shall be limited to reasonable and actual expenses and shall be limited to the maximum established by the President unless an exception thereto is granted by the President. The President shall inform the Board of the maximum reimbursement levels established by the President under these Regulations, and thereafter, of any change to such maxima.
3. If two or more individuals occupying the same household who qualify for reimbursement for moving and relocation expenses are hired with commencement dates not more than 30 calendar days apart, they shall be eligible for a single reimbursement for that household to be divided equally between or among such individuals.

G. Non-Appropriated Funds

30 ILCS 105/6a-1e provides that certain non-appropriated funds may be retained by the University for use in the manner and for the purposes set forth therein. This regulation is issued to establish uniform procedures relating to the use and handling of such funds as receipts from revenue bond operations, auxiliary enterprise operations, and other self-supporting activities; governmental and private gifts, grants, and contracts; a working cash fund; unrestricted institutional funds; tuition; student fees; and such other funds as may from time to time be approved by the Board.

1. Depositories

Non-appropriated funds may only be deposited in depositories approved by the Board. The only financial institutions eligible for consideration as depositories are (i.)

banks located in Illinois and insured by FDIC, or (ii.) savings and loan associations located in Illinois and insured by FSLIC.

2. Collateral

As a general rule, all deposits at a depository in excess of the amount insured by FDIC or FSLIC shall be secured by the pledge of (i.) United States government securities, (ii.) securities guaranteed by the full faith and credit of the United States government, or (iii.) any other security permitted by law and approved by the Board. The requirement for securing uninsured deposits may be wholly or partially waived by the Board if an economic advantage may be gained thereby or conditions otherwise warrant such waiver.

3. Investment of Funds

Non-appropriated funds which are not secured in accordance with paragraph 2. above shall, unless otherwise provided by terms of a bond resolution or unless needed for operational expenses, be invested through approved depositories or through other means authorized by the Board in (i.) United States government securities, (ii.) securities guaranteed by the full faith and credit of the United States government, or (iii.) any other investment permitted by law and approved by the Board. Several funds of the same general category or classification may be combined in a single account; however the books and records of the University shall reflect the amount in each fund and the charges against each fund.

4. Reports

The President shall submit an annual report to the Board on the deposit and investment of non-appropriated funds during the preceding year.

5. Records and Audits

The University shall maintain detailed financial records of operations and prepare formal financial reports in accordance with generally accepted principles and standards of accounting as are necessary for sound financial management and adequate disclosure. Each year the University shall provide a copy of its annual financial report and audit by the Auditor General to the Board.

6. Bond Resolutions

In the event of a conflict between the provisions of these Regulations and the requirements of specific bond resolutions adopted by the Board, the latter shall govern.

7. Reserves

Board approval shall be required to establish or change non-instructional facilities reserves or other reserves authorized by the University Guidelines 1982 issued by the Legislative Audit Commission.

H. University-Related Organizations

1. General

University-related organizations include foundations, alumni associations, athletic associations, and other not-for-profit organizations established for the purpose of assisting the Board and the University in the accomplishment of their educational objectives.

2. Audit Commission Guidelines

The relationship between University-related organizations and the University shall be governed by the University Guidelines 1982 issued by the Legislative Audit Commission. The University shall develop a written contract describing this relationship with each of its University-related organizations. Each contract shall be subject to approval by the Board.

3. Establishment of University-Related Organizations

Proposals to create a new University-related organization shall be submitted by the President for review by the Board before the organization is established.

4. Contributions

A proposal shall be submitted by the President describing any significant commitment of University resources for the operation, maintenance, or administration of a contribution to a University-related organization intended for use by the University. Approval of the Board shall be required before such a commitment is made.

5. Reports

- a. A quarterly report to the Board shall be presented by the President on contributions to University-related organizations.
- b. The President shall submit copies of the annual audits of each University-related organization to the Board.

I. Contributions

1. General

The Board is charged by statute to succeed to and administer all trusts, trust property, and gifts belonging or pertaining to the University. Contributions may be accepted on behalf of the Board by authorized University officials.

2. Definition

For the purpose of this Regulation, contributions are defined to include gifts, endowments, trusts, bequests, devises, and other donations made to the University.

3. Authority to Accept

The President is authorized to accept contributions to the University. Board approval shall be required prior to acceptance in the case of contributions which involve a significant commitment of resources for the operation, maintenance, or administration of the contribution.

4. Reports

A quarterly report to the Board shall be presented by the President on contributions to the University of \$10,000 or more.

J. Mandatory Fees

1. Definition

Mandatory fees are defined as tuition and other fees established by the Board which all students are assessed as a prerequisite for registration unless a waiver or other exemption has been authorized by the Board or by statute.

2. Tuition

The University shall develop a long-range plan for tuition as required by the Illinois Board of Higher Education. Board approval shall be required to change tuition rates.

3. Other Mandatory Fees

Any proposal to establish or change the amount of any other mandatory fee shall be subject to a student referendum. Board approval shall be required to establish or change the amount of any mandatory fee. In addition to tuition, mandatory fees

which may be established at the University include, but are not limited to, the following:

- a. Activity fee
- b. Revenue Bond fee
- c. Health Care fee
- d. Insurance fee
- e. Athletic fee
- f. University Center fee

4. Waivers

The approval of the President is required to waive mandatory fees, except when a waiver is required by statute, authorized by Board regulation, or has been established as part of the University's financial aid policy.

5. Collections

All registration fees must be collected prior to or during the academic term to which they apply. The University may offer a plan which would permit students to pay their tuition and fees in two or more installments during the academic term. A service charge may be added for students who elect to pay in more than one installment in accordance with the approved University plan. Unless an exception is granted by the President, all persons must meet all financial obligations to the University to maintain their status as enrolled students.

6. Refunds

The University shall develop policies which govern the refund of mandatory fees. These policies and any changes shall become effective when approved by the President. The term "refund" as used in this Regulation may mean the cancellation of an unpaid obligation as well as an actual refund of amounts previously paid.

7. Activity Fee

- a. Student activity fees, upon collection by the University, become State funds and are subject to statutes, regulations, and University policies and procedures applicable to State funds generally.
- b. The University shall develop policies concerning the administration of student activity fees. The policies and any changes shall become effective when approved by the President.

The policies shall contain the following provisions and such other provisions as are necessary and appropriate:

- i. Provisions for collection of all student activity fees at regular intervals.
- ii. Provisions for allocation by a body which includes representation of appropriate student organizations and of students generally.

K. Special Fees and Charges

1. Special Fees

Special fees are defined as all fees other than mandatory fees and include, but are not limited to, the following:

- a. Room and Board fee
- b. Program Change fee
- c. Graduation fee
- d. Late Registration and/or Late Payment fee
- e. Service fee for Installment Payments
- f. Transcript fee

Board approval shall be required to establish or change the amount of any special fee.

2. Charges

Charges are defined as program- or activity-specific assessments, and may include but are not limited to, the following:

- a. Laboratory, Material, or Other Course-Related charge
- b. Locker and Towel charge
- c. Late Examination charge
- d. Duplicate Schedule charge
- e. Library Fine charge
- f. Lost Identification or Activity Card charge
- g. Test charge
- h. Parking charge

Approval of the President is required to establish or change the amount of any charge.

3. Waivers and Refunds

Special fees and charges may be waived or refunded in accordance with University policy or by specific approval of the President.

L. Internal Offset Procedures

The University shall develop procedures whereby University initiated payments to its debtors may be offset in accordance with State law and the rules of the State Comptroller. The procedures and any changes shall become effective when approved by the President.