9.010. **State Appropriations.** The Board of Governors decides each year on the amount of funds to be requested as appropriations for operating expenses and capital projects in the next session of the state legislature.

*Source: Established practice
Resolution of the Board dated August 6, 2011*

9.015. **Financial Reserves.** Financial reserves need to be maintained at adequate levels to provide cash flow and to guard against future operating losses.

9.015.1. **Target Levels.** The targets for such financial reserves are 20 percent of annual operating costs for the Education and General Fund and 44 percent of annual operating costs for the Auxiliary Fund. For purposes of determining financial reserves pursuant to this section, operating costs are defined to include unrestricted costs. Excluded from this calculation will be one-time appropriations for designated purposes, 50 percent of equipment costs, “flow through” funds such as Study Abroad...
trip fees, and 3 percent of the General Revenue operating appropriation. The financial reserves for the Education and General Fund are computed by adding the Education and General share of the unrestricted balances in the Current Fund, the fund balance of the Quasi-Endowment Fund, and the unexpended balances in the Plant Fund. The financial reserves for the Auxiliary Fund are computed by adding the Auxiliary share of the same balances.


9.020. **Annual Budgets.** The Board of Governors establishes budgets each year for the receipt and expenditure of funds. The annual operating budgets for educational and general funds and auxiliary funds normally are approved at the regular meeting in June of each year. The capital budget for state appropriated funds normally is approved at the regular meeting in June, when such funds are separately appropriated, and the capital budget for local funds normally is approved in December of each year. The President of the University, and his or her designees, may approve expenditures up to the total amount of each of the four budgets approved by the Board, but they may not approve expenditures in excess of the total amount budgeted for expenditures in the applicable budget. The educational and general budgets are developed in accordance with the following guidelines.

9.020.1 **Academics.** The commitment to high quality academic programs requires sufficient financial support, and the goal is to allocate approximately 65 percent of unrestricted and undesignated funds to the state-defined categories of Instruction, Research, and Academic Support on an annual basis.

9.020.2 **Research.** The interest in research as a component of active learning also requires financial support, and the goal is to allocate one percent of unrestricted and undesignated funds to the state-defined category of Research on an annual basis. The one-percent goal for Research in this subsection is a part of the 65 percent goal for Instruction, Research, and Academic Support in the preceding subsection.

9.020.3 **Enrollment Fees.** The stated objective for the University to be an “affordable alternative of a select public liberal arts institution that focuses on undergraduate education with high standards” limits
student enrollment fees to competitive levels, and the goal is to target unrestricted and undesignated
student enrollment fees at approximately 35 percent of the total operating budgets after subtraction
of academic scholarships and experienceships and athletic grants-in-aid. It is acknowledged that
such student enrollment fees cannot be held in the 35 percent range when state appropriations do
not keep pace with inflationary cost increases and when student expectations for high quality
services cannot be met without enrollment fees above the targeted level.

Source: Resolution of the Board dated June 26, 1993

9.040. **Primary Depositary.** The Board of Governors selects a primary depositary for University funds on a
biennial basis. No funds are to be deposited in any banking institution in which any member of the
Board or other officer of the University is at the time of such deposit the owner of any shares of stock
of such bank or an officer or employee thereof. The University depositary must safeguard the
University deposits by either pledging collateral securities or by providing an irrevocable letter of
credit. If the deposits are safeguarded by the pledge of collateral securities, such collateral securities
must have a market value of at least 110% of the amount of deposit, less the amount insured by the
Federal Deposit Insurance Corporation. If the deposit is safeguarded by the issuance of an
irrevocable letter of credit, such irrevocable letter of credit must be given by a financial institution
acceptable to the University for an amount equal to the total amount of the deposits.

Source: Sections 30.250, 30.260, 30.270, 30.440, and 110.010 through 110.110, Revised Statutes of
Missouri

Resolutions of the Board dated October 11, 2002 and June 14, 2014

Cross-reference: Section 9.070 of the Code

9.050. **Investments.** The investment of funds is handled in the following manner. This section may be
referred to as the “Investment Policy.”

9.050.1 **Scope.** This policy applies to the investment of all financial assets of the University eligible for
investment and which are accounted for in the University’s annual financial reports.
9.050.2 Delegation of Authority. The statutes of the State of Missouri, Chapters 172 and 174 (Section 174.630 R.S. Mo) (1995), authorize the Board of Governors to manage the University’s investment program. Deposit and investment of state funds must comply with Article IV, Section 15 of the Missouri Constitution and Chapters 30 and 110 of the Revised Statutes of Missouri. The Board of Governors hereby delegates responsibility for the management of the investment program and written procedures for the operation of the investment program to the President of the University. The Treasurer has the authority to receive and disburse funds of the University.

9.050.3 General Investment Objectives. The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield.

1. Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

A. Credit Risk. Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The University will manage credit risk by:

- Establishing minimum credit ratings for each non-government security type.
- Implementing a credit review and approval process, or hiring an outside registered investment advisor that has such a process.
- Diversifying the portfolio to reduce the risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or type of securities.

B. Interest Rate Risk. Interest rate risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. It is recognized that all fixed-income investments carry some interest rate risk, and that longer maturities have greater volatility than shorter maturities. The University will manage interest rate risk by:

- Maintaining adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.
- Establishing maximum individual investment maturity (or duration) and maximum portfolio average maturity (or portfolio duration) limits.
- Structuring the investment portfolio so that securities mature to meet expected cash requirements for ongoing operations, seeking to avoid the need to sell securities prior to maturity.
2. **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). The portfolio may be placed in repurchase agreements or other investment options that offer same-day liquidity.

3. **Yield.** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the University’s investment risk constraints and liquidity needs. The University may establish a performance benchmark to evaluate performance; however, return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investments are limited to securities considered relatively low risk in anticipation of earning a fair return relative to the risk being assumed.

9.050.4 **Standards of Care**

1. **Prudence.** All University officers and employees involved in the investment process shall act responsibly as custodians of the public trust. The standard of prudence to be applied is the “prudent investor” rule, which states, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

2. **Ethics and Conflicts of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial
institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the University.

9.050.5 Safeguards and Controls

1. **Internal Controls.** The President is responsible for establishing and maintaining an internal control structure that will be reviewed annually with the University’s independent auditor. The internal control structure shall be designed to ensure that the assets of the University are protected from loss, theft or misuse and to provide reasonable assurance that these objectives are met. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The internal controls shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery of securities
- Clear delegation of authority to subordinate staff members or an outside investment advisor
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third party custodian

2. **Third-Party Safekeeping.** Securities will be held by an independent third-party safekeeping institution selected by the University. All securities will be evidenced by safekeeping receipts in the University’s name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls - Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011.).
3. **Delivery vs. Payment.** All trades, where applicable, will be settled on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the University’s safekeeping accounts prior to the release of funds. All securities shall be perfected in the name of or for the account of the University and shall be held by a third-party custodian as evidenced by safekeeping receipts.

4. **Sales Prior to Maturity.** Securities may be sold prior to maturity for the following reasons:
   - To meet unexpected liquidity needs,
   - To reduce credit risk or minimize loss of principal,
   - As part of a security swap that would improve the quality, yield, or expected return of the portfolio,
   - To adjust or rebalance the portfolio to be in compliance with policy guidelines, to better match expected cash flows, to better match the target portfolio duration, or to better match a designated performance benchmark.

5. **External Management of Funds.** Investment through an external registered investment advisor, programs, facilities and professionals operating in a manner consistent with this policy will constitute compliance.

9.050.6 **Authorized Investments**

1. **Investment Types.** The following security types are authorized for the investments of funds by the University:
   
   A. United States Treasury Securities – U.S. Treasury and other government obligations that carry the full faith and credit of the United States for the payment of principal and interest. This includes investment in Treasury bills, notes, bonds, strips, and Treasury inflation protected securities (TIPS).
   
   B. United States Agency Securities - Obligations, participations, or other instruments issued or guaranteed by any U.S. government agency, instrumentality, or government sponsored enterprise (GSE). This includes investment in coupon issues, zero coupon issues and strips, discount notes, callables, step-up coupons, floating-rate coupons, supranationals and mortgage-backed securities.
C. Repurchase Agreements - Repurchase agreements between the University and a commercial bank or primary government securities dealer. Investment in repurchase agreements must be covered by a signed master repurchase agreement substantially of the standard form designated by SIFMA. Acceptable collateral includes only securities in A. and B. above, and must be collateralized at a minimum of 102%.

D. Collateralized Public Deposits (Certificates of Deposit) -- Instruments issued by financial institutions which state that specified sums have been deposited for specified periods of time and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as described in §§ 110.010 - .020, RSMo.

E. Bankers’ Acceptances - Time drafts drawn on and accepted by a commercial bank, otherwise known as bankers’ acceptances. The University may invest in bankers' acceptances issued by domestic commercial banks rated in the highest ratings category by at least two nationally recognized statistical rating organizations (NRSROs). Purchases of bankers’ acceptances may not exceed 180 days to maturity.

F. Commercial Paper - Commercial paper rated in the highest category by at least two nationally recognized statistical rating organizations. Eligible paper is further limited to issuing corporations that have a total commercial paper program size in excess of $500,000,000. Purchases of commercial paper may not exceed 270 days to maturity.

G. Negotiable Certificates of Deposit – Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a federally- or state-licensed branch of a foreign bank; rated in the highest short term ratings category, or three highest long term ratings categories, by at least two nationally recognized statistical-rating services.

H. Corporate Bonds – Investment grade corporate bonds, rated in the three highest ratings categories by at least two nationally recognized statistical rating organizations (NRSROs).
I. Municipals – Obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any U.S. state or territory rated in the three highest ratings categories by at least two nationally recognized statistical rating organizations.

J. Asset-Backed Securities – Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans rated in the highest ratings category by a nationally recognized statistical rating organization.

K. Money Market Mutual Funds – Registered money market mutual funds that adhere to SEC rule 2a-7, and are rated AAAm or the equivalent by at least one nationally recognized statistical rating organization.

2. Investment Restrictions and Prohibited Transactions. To provide for the safety and liquidity of the University’s funds, the investment portfolio will be subject to the following restrictions:

   • Borrowing for investment purposes (“leverage”) is prohibited.
   • Reverse repurchase agreements are prohibited.
   • Investments in complex derivatives are prohibited. Prohibited investments include inverse floaters, leveraged floaters, mortgage-backed IOs and POs, equity- or currency-linked securities, options, futures, swaps, caps, floors, and collars.
   • Contracting to sell securities not yet acquired (short sale) is prohibited.
   • Investment in any form of mutual fund, other than registered money market mutual funds, is prohibited.

3. Collateralization. Collateralization will be required on three types of investments: certificates of deposit, repurchase agreements and Letters of Credit from the Federal Home Loan Bank. The market value (including accrued interest) of the collateral should be at least 100%.

   For certificates of deposit, the market value of collateral must be at least 100% or greater of the amount of certificates of deposits plus demand deposits with the depository, less the amount, if any, which is insured by the Federal Deposit Insurance Corporation, or the National Credit Unions Share Insurance Fund.
All securities, which serve as collateral against the deposits of a depository institution, must be safe kept at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts within five business days from the settlement date.

The University shall have a depository contract and pledge agreement with each safekeeping bank that will comply with the Financial Institutions, Reform, Recovery, and Enforcement Act of 1989 (FIRREA). This will ensure that the University’s security interest in collateral pledged to secure deposits is enforceable against the receiver of a failed financial institution.

4. Repurchase Agreements. The securities for which repurchase agreements will be transacted will be limited to U.S. Treasury and government agency securities that are eligible to be delivered via the Federal Reserve Fedwire book entry system. Securities will be delivered to the University’s designated Custodial Agent either on a delivery vs. payment basis or through a tri-party arrangement.

9.050.7 Additional Limitations

1. Security Type Limits. Investments shall be diversified, subject to the following maximum allocations per security type:

- U.S. Treasuries and securities guaranteed by the U.S. Government ..................... no limit
- Collateralized time and demand deposits .......................................................... no limit
- U.S. Government agencies, instrumentalities and government sponsored enterprises.......................................................... no limit
- U.S. Government agencies callable securities ........................................ no more than 30%
- Collateralized repurchase agreements .............................................................. no limit
- Commercial paper, bankers’ acceptances, and negotiable certificates of deposit (combined).......................................................... no more than 50%
- Corporate Bonds .......................................................................................... no more than 40%
- Municipals .................................................................................................. no more than 25%
- Asset-Backed Securities ........................................................................ no more than 10%
- Money Market Mutual Funds ........................................................................ no more than 20%

2. Maximum Maturities. To the extent possible, the University shall attempt to match its investments with anticipated cash flow requirements. No investment shall have a maturity longer than 5 years from the date of settlement. For mortgage-backed securities (“MBS”) and
Asset-Backed Securities ("ABS"), the maximum weighted average life ("WAL") shall not exceed five (5) years at the time of settlement. Investments are subject to the following maximum maturities:

- U.S. Treasuries: 5 years
- U.S. Government Agencies: 5 years
- Mortgage-Backed Securities: 5 year weighted average life
- Municipals: 5 years
- Asset-Backed Securities: 5 year weighted average life
- Repurchase Agreements: 90 days
- Bankers’ acceptances: 180 days
- Commercial paper: 270 days
- Corporate Bonds: 5 years
- Negotiable CDs: 5 years

The University’s portfolio shall have a duration consistent with its investment and liquidity objectives, and a maximum duration of 3 years. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as bank deposits, overnight repurchase agreements or money market mutual funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

3. **Issuer Limit.** No more than 5% of the total market value of the portfolio may be invested in any one non-government issuer. Investments in corporate bonds, bankers’ acceptances, commercial paper, corporate bonds, and negotiable CDs will be combined to determine aggregate exposure.

9.050.8 **Reporting**

1. **Methods.** The Treasurer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner that will allow the University to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the Board of Governors of the University. The report will include the following:
• Listing of individual securities held at the end of the reporting period.
• Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration (in accordance with Government Accounting Standards Board (GASB) 31 requirements). [Note, this is only required annually.]
• Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
• Listing of investment by maturity date.
• Percentage of the total portfolio which each type of investment represents.
• Listing of each financial institution and security broker/dealer handling University investments.
• Copies of the most recent statements from each financial institution and security broker/dealer handling University investments.

2. **Performance Standards.** The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should seek to obtain a market average rate of return over a full market/economic cycle. A benchmark may be established against which portfolio performance shall be compared on a quarterly basis.

3. **Marking to Market.** The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least annually to the Board of Governors of the University. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed.

4. **Credit Downgrades.** Credit ratings should be monitored on a regular basis. The University or its investment advisor shall review any downgrades below the minimum ratings guidelines and recommend an appropriate course of action.

9.050.9 **Policy Considerations**

1. **Annual Review.** The policy shall be reviewed annually by the Investment Officer, as designated by the President of the University, and recommended changes will be presented to the Board of Governors for consideration.

9.060. **Purchasing and Leasing of Equipment and Supplies.** Purchasing and leasing of equipment and supplies for the University is conducted in accordance with state statutes and guidelines established by the state purchasing office. The President of the University, and his or her designees, are authorized to establish internal policies and procedures for such purchases and leases, and the employees designated in such policies and procedures may execute purchases and leases on behalf of the University. Approval of the Board of Governors is required for the purchase or lease of any single item of equipment for which the cost is $100,000 or more. When the President authorizes a purchase pursuant to this section which costs more than $25,000 but less than $100,000, the President shall report such action to the Board of Governors at its next regular meeting.

Source: Resolutions of the Board dated October 26, 1990, August 22, 1992 and June 14, 2014 Sections 8.250, 8.280, and 34.010 through 34.160, Revised Statutes of Missouri 1987 Compilation: Article 30
Cross-reference: Section 14.110 of the Code

9.070 **Procurement of Contracted Services.** The procurement of contracted services for the University is conducted in accordance with state statutes and guidelines developed by the state purchasing office. The President of the University, and his or her designees, are authorized to establish internal policies and procedures for the procurement of such contracted services and the employees designated in such policies and procedures may procure such services for the University. Approval of the Board of Governors is required for the selection of the contractors to provide the following services: annual audit of financial records; primary depositary for checking accounts; food service for residence halls and student union; operation of Campus Bookstore; architectural, engineering, and land surveying services; information technology services; construction projects costing $100,000 or more; and consulting projects for which the cost is expected to exceed $10,000 and for which less than three proposals are received from qualified consultants. When the President of the University authorizes a construction project costing more than $25,000 but less than $100,000, the President shall report such action to the Board of Governors at its next regular meeting.
9.075. **Audit Committee Charter**

**DELEGATION OF AUTHORITY.** Pursuant to Article IV of the Bylaws of the Board of Governors, the Board hereby creates a standing committee of the Board of Governors to be known as the Audit Committee and delegates such authority to the Audit Committee as is set forth herein below and directs that such delegation of powers be recorded among the actions of the Board.

**ORGANIZATION.** The Audit Committee of the Board of Governors shall be a standing committee consisting of at least three members, with at least two members from the Board of Governors. An outside member may be selected by the Board Chair to provide financial expertise for the committee. The Audit Committee members and committee chair shall be appointed by the Chair of the Board of Governors and shall be subject to reappointment or replacement at the discretion of the Board Chair.

**RESERVATION OF AUTHORITY.** Pursuant to section 9.070 of the Board of Governors Code of Policies, the Board reserves to itself the authority to select an independent accountant to perform the annual audit of financial records. Further, the Board of Governors reserves the authority to adopt policies for the University pertaining to the audit function.

**PURPOSE.** The Audit Committee will assist the Board in matters relating to the audit function by serving as a working contact point between the full Board of Governors and the University auditors retained by the Board; by serving as a direct channel of communication between the Board and the independent auditor; and by serving as an informed voice on the Board by communicating the audit perspective when related issues are brought before the Board.

**DUTIES.** The Audit Committee will receive reports and recommendations directly from the independent auditors. The Audit Committee will offer recommendations to the Board regarding approval of the engagement of the independent auditor and related fees for the performance of the annual financial statement audit and federal compliance audits.
The University administration may contract for non-audit services from an independent accountant without prior approval of the Audit Committee or the Board of Governors, provided, however that the cost of such services may not exceed $5,000 in any fiscal year and provided further that any such contract for services must be reported to the Audit Committee at the next following Audit Committee meeting. Contracts for services costing more than $5,000 in any fiscal year must be approved by the Audit Committee.

The Audit Committee shall review the annual financial report, including the administration’s discussion and analysis, financial statements, footnotes, statistics and disclosures.

The Audit Committee shall review the independent audit results and discuss significant issues of internal control and compliance with the independent auditor and the University administration. The Audit Committee shall monitor the University administration’s progress in addressing audit recommendations and shall report its findings to the full Board of Governors.

The Audit Committee is authorized to request supplemental reviews or other audit procedures by the independent auditor or other advisors and budgeted funds shall be made available for this purpose.

The Audit Committee should review the provisions of this policy and recommend changes as needed.

Source: Resolution of the Board dated September 15, 2007

9.080. **Contracts for Construction Projects.** The awarding of contracts for construction projects is handled in the following manner.

9.080.1. **Authorization for Small Projects.** For construction projects costing $100,000 or less, the President of the University, and his or her designees, are authorized to award contracts for such projects when funds for such projects are available through the budgets approved by the Board and the contractors for such projects are selected through normal bidding procedures. When the President of the University awards a contract for a construction project where the value of the contract is greater than $25,000 but less than $100,000, the President shall report such action to the Board of Governors at its next regular meeting.
9.080.2. Authorization for Large Projects. For construction projects costing more than $100,000, the President of the University, and his or her designees, are authorized to award contracts for such projects upon satisfaction of the following requirements for each project:

1. The description and the budgeted amount for the particular project have been approved by the Board;
2. The bids are solicited through normal bidding procedures and two or more bids are received for the particular project;
3. The bidder selected to perform the work for the particular project has submitted both the lowest bid for the base bid and the lowest bid for the total of the base bid and the selected alternates; and
4. The total costs for the particular project, including design fees and construction costs, are within the budgeted amount approved by the Board.

When such conditions are met, the President of the University, and his or her designees, are authorized to award contracts for such construction projects without further authorization of the Board. If such conditions are not met, then the contract awards will require specific approval of the Board, at a meeting of the Board as described in the following subsection.

Source: Resolution of the Board dated June 14, 2014

9.080.3. Approval Between Meetings. The President of the University may by conference call meeting of the Board of Governors obtain approval of construction projects over $100,000 in cost, which do not meet the requirements of the preceding subsection, and which need to proceed without awaiting the next regular meeting of the Board, by submitting to the members of the Board the following information for each project: 1) a description of the work for the project, 2) the budgeted amount for the project, 3) a list of bids for the project, 4) a recommendation of the best bidder for the project, and 5) the qualifications of the recommended best bidder.

9.090. **Change Orders for Construction Projects.** The approval of change orders for construction projects are handled in the following manner.

9.090.1. **Authorization.** The President of the University is authorized to approve change orders for construction contracts which 1) do not cause major changes in the plans and specifications for the project and 2) do not cause, in conjunction with other previous change orders for the same project, the amended contract price to exceed the original Board approved project budget by more than ten percent. The approval of the Board of Governors is required for other change orders.

9.090.2 **Approval Between Meetings.** The President of the University may by conference call meeting of the Board of Governors, obtain approval of change orders for construction projects requiring Board approval, which need to proceed without awaiting the next regular meeting of the Board, by submitting to the members of the Board the following information for each change order: 1) a description of the proposed changes in the project, 2) the cost of the proposed changes, 3) the Board approved budget amount for the project, 4) the amended amount of the Board approved budget for the project after approval of the proposed changes and any previous change orders, and 5) the rationale for the proposed changes.


9.100. **Land Acquisitions.** The acquisition and the conveyance of real property requires approval of the Board of Governors.

9.100.1. **Proposals for Acquisition.** The President of the University recommends the acquisition of land as suitable tracts become available or as necessary for immediate use. Normally, the recommendations by the President are supported by the estimates of market value by one or more competent appraisers.

9.100.2. **Approval Between Meetings.** The President of the University may by conference call meeting of the Board of Governors, obtain approval of real property purchases between regular meetings of the Board of Governors.
Board by submitting to the members of the Board the following information for the recommended purchase of a particular tract: 1) the location and nature of the tract, 2) the appraised value of the tract, 3) the proposed use of the tract, and 4) the negotiated price at which the seller is willing to sell.

1987 Compilation: Article 33

9.110. **Governmental Relations.** It is recognized that the University receives assistance from many governmental agencies, and the President of the University, and his or her designees, are authorized to sign and execute applications, contracts, reports, and other documents to receive assistance and/or to work cooperatively with the various agencies and departments of federal, state, and local governments.


9.120. **Execution of Contracts and Documents.** The President of the University may personally sign and execute any and all contracts and other legal documents on behalf of the University for which he or she has express or implied authority under the provisions of the Code. The President also may delegate his or her authority for signature and execution of documents to one or more persons either by name or by title. Provided, however, that all checks and other orders for payments of money, the sale or withdrawal of investments, and the release of collateral securities, require the signatures of two persons at least one of whom shall be one of the Treasurers. The President also may certify the names of the persons authorized by him or her to sign and execute various types of contracts and other documents on behalf of the University, and third persons may rely upon such certificates of legal agency by the President.

9.130. **Conflict of Interest.** No officer or employee may approve a contract on behalf of the University in which the officer or employee has a conflict of interest. Similarly, no officer or employee may actively participate in the selection of a prospective employee, consultant, contractor, supplier, or vendor for the University without disclosing to his or her supervisor any personal friendship, business association, or family relationship which the officer or employee may have with the prospective selectee or with any member of the selectee's firm or company. Such disclosure should be made at the earliest possible time and, in all cases, prior to the actual selection.

Source: Resolution of the Board dated December 6, 1991
Sections 105.450 through 105.498, Revised Statutes of Missouri
Cross-reference: Section 14.110 of the Code

9.140. **Annual Audits.** The Board of Governors selects a certified public accounting firm to conduct an audit of the financial records of the University on an annual basis. The services to be provided by the accounting firm are determined in the selection process. Representatives of the firm meet with the Board prior to the beginning of the audit in each year, and the firm submits its report directly to the members of the Board of Governors, the President of the University, the Treasurer, and the State Auditor.

Source: Section 29.200, Revised Statutes of Missouri
Cross-reference: Section 9.070 of the Code

9.150 **Records Management.** It is the desire of the Board of Governors to establish a records management policy in order to provide for the appropriate preservation, management and disposition of all “University Records,” which term includes all records of the Truman State University Foundation. It is the intention of the Board of Governors to maximize the efficient use and maintenance of University Records that the University creates or receives in the conduct of business; to ensure that
University Records provide adequate and proper documentation of and accountability for the actions of the University; to provide proper and prompt disposal of University Records which have no further useful value; and to ensure the identification and continued preservation of University Records of historical and archival value.

To this end, the University Board of Governors, the Foundation Board of Directors and University administrative offices will comply with the General Records Retention Schedule for local government offices as promulgated by the director of records management and archives in accordance with standards established by the Local Records Board pursuant to section 109.200, et.seq, RSMo, known as the “State and Local Records Law.” It is acknowledged that the General Records Retention Schedule may be amended from time to time by the state director, and it is the intention of this Board that the University shall comply with the most current version of the General Records Retention Schedule as it may be promulgated by the state director.

Source: Resolution of the Board dated June 25, 2010