THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ALABAMA

BOARD MANUAL

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THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ALABAMA

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# THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ALABAMA

## BOARD MANUAL

### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bylaws of the Board of Trustees</td>
<td>1</td>
</tr>
<tr>
<td>Board Rules</td>
<td>21</td>
</tr>
<tr>
<td>Constitutional and Statutory Provisions</td>
<td>267</td>
</tr>
<tr>
<td>Appendices</td>
<td>307</td>
</tr>
<tr>
<td>The Mission of The University of Alabama System</td>
<td>309</td>
</tr>
<tr>
<td>UAS Organizational Chart</td>
<td>311</td>
</tr>
<tr>
<td>Index</td>
<td>313</td>
</tr>
</tbody>
</table>
BYLAWS
OF
THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ALABAMA
PREAMBLE ..................................................................................................................5

ARTICLE I  THE BOARD OF TRUSTEES.................................................................5
SECTION 1. Composition of Board. ...........................................................................5
SECTION 2. Election and Term of Office ....................................................................6
SECTION 3. Alteration in Congressional District Boundaries ....................................6
SECTION 4. Retirement and Trustee Emeritus Status. .................................................6
SECTION 5. Compensation of Trustees .....................................................................7
SECTION 6. Primary Functions of the Board ..............................................................7

ARTICLE II  MEETINGS OF THE BOARD OF TRUSTEES ...................................8
SECTION 1. Annual and Regular Meeting ..................................................................8
SECTION 2. Special Meetings .....................................................................................9
SECTION 3. Adjourned Meetings ...............................................................................9
SECTION 4. Place of Meetings ...................................................................................9
SECTION 5. Attendance .............................................................................................9
SECTION 6. Quorum ..................................................................................................9
SECTION 7. Minutes ...................................................................................................9
SECTION 8. Executive Session ..................................................................................10
SECTION 9. Agenda ..................................................................................................10
SECTION 10. Rules of Order ....................................................................................10

ARTICLE III  OFFICERS .........................................................................................10
SECTION 1. President of the Board ..........................................................................10
SECTION 2. President pro tempore ..........................................................................10
SECTION 3. Secretary ..............................................................................................11
SECTION 4. General Counsel ...................................................................................11

ARTICLE IV  COMMITTEES .....................................................................................12
SECTION 1. Executive Committee ..........................................................................12
SECTION 2. Academic Affairs, Student Affairs, and Planning Committee ..........13
SECTION 3. Finance Committee ..............................................................................13
SECTION 4. Physical Properties Committee ............................................................13
SECTION 5. Investment Committee .........................................................................13
SECTION 6. UAB Health System Board Liaison Committee ....................................13
SECTION 7. Honorary Degrees and Recognition Committee ..................................13
SECTION 8. Audit Committee ..................................................................................14
SECTION 9. Compensation Committee ...................................................................14
SECTION 10. Athletics Committee .........................................................................14
SECTION 11. Legal Affairs Committee .....................................................................15
SECTION 12. Nominating Committee .......................................................................15
SECTION 13. Subcommittees ...................................................................................15
SECTION 14. Attendance at Committee and Subcommittee Meetings ..................15
ARTICLE V  THE UNIVERSITY OF ALABAMA SYSTEM ................................. 15
  SECTION 1.  Organization.......................................................................................... 15
  SECTION 2.  Authority and Duties of the Chancellor .................................................. 15
  SECTION 3.  Authority and Duties of the Presidents .................................................... 17

ARTICLE VI  SEALS ................................................................................................. 18
  SECTION 1.  Official Corporate Seal ............................................................................ 18
  SECTION 2.  Institutional Seals ..................................................................................... 19

ARTICLE VII  RULES OF THE BOARD OF TRUSTEES ............................................. 20

ARTICLE VIII AMENDMENT OR REPEAL OF BYLAWS ........................................ 20
B Y L A W S

OF THE BOARD OF TRUSTEES

OF THE UNIVERSITY OF ALABAMA

PREAMBLE

The people of Alabama have vested full management and control over the "state university" in a "board of trustees" (Ala. Const. Art. 14, Sec. 264); the Legislature of the State of Alabama has characterized the "governor and the state superintendent of education by virtue of their respective offices, and the trustees heretofore appointed from the different congressional districts of the state under the provisions of Sec. 264 of the Constitution, and such other members as may be from time to time added to the board of trustees and their successors in office" as a body corporate and has identified and named the corporation "The Board of Trustees of The University of Alabama" (Code of Alabama, 1940, Title 52, Sec. 486). In order to more effectively manage and control the "state university," in order to provide for a definitive, orderly form of governance, and in order to secure and continue a responsive, progressive, and superior institution of higher education, the board of trustees hereby does promulgate and adopt these Bylaws.

ARTICLE I

The Board of Trustees

The entire management and control over the activities, affairs, operations, business, and property of The University of Alabama System (hereinafter referred to as the "University") shall be completely and absolutely vested in The Board of Trustees of The University of Alabama (hereinafter referred to as the "Board"); however, upon general or specific authorization or delegation made or provided for in these Bylaws, the Board may exercise its management and control by and through such officers, officials, committees and agents as may seem fit and proper.

SECTION 1. COMPOSITION OF BOARD.

The Board consists of two ex officio members, namely, the Governor and the Superintendent of Education of the State of Alabama, who serve by virtue of their respective offices, three members elected by the Board from the congressional district in which Tuscaloosa County is located, and two members elected by the Board from each of the other congressional districts in the State of Alabama.
SECTION 2. ELECTION AND TERM OF OFFICE.

Ex officio Trustees shall serve only while holding their respective state offices. Elected Trustees shall hold office for a term of six (6) years, commencing on the date of their election except as modified below. When the term of any Trustee shall expire, or in case of a vacancy by death or resignation of a Trustee, or from any other cause, the remaining Trustees shall elect a successor by secret ballot; provided, that any Trustee so elected shall hold office from the date of his election until his confirmation or rejection by the Senate, and, if confirmed, until the expiration of the term for which elected and until his successor is elected, or, in the case of a vacancy, for the unexpired term for which he was elected and until his successor is elected. If the Senate should reject the name of any Trustee, it shall thereupon elect Trustees in the stead of those rejected. Neither the existence nor continuation of a vacancy in the office of a Trustee shall serve to impair or hinder any provisions of these Bylaws or the validity of the operations and actions of the Board by virtue of that vacancy alone. A Trustee shall not serve more than three consecutive full six (6) year terms on the Board. Other than as described above, no Trustee shall be removed from office except for cause, and then only by the affirmative vote of two-thirds (2/3) of the total number of Trustees (Elected and ex officio) then holding office, with notice and an opportunity to be heard provided.

SECTION 3. ALTERATION IN CONGRESSIONAL DISTRICT BOUNDARIES.

In the event that congressional district boundaries are altered:

   A. All elected Trustees shall continue to serve the full terms for which they were elected and shall be recognized as Trustees from the new district in which they reside.

   B. Where new congressional districts are created in which less than the constitutionally appropriate number of elected Trustees reside, the Board shall elect the appropriate number of Trustees from that district to serve a full term.

   C. Where new congressional districts are created in which more than the constitutionally appropriate number of elected Trustees reside, there shall be no election or reelection of Trustees from that district until first the number of Trustees from that district is reduced to the constitutionally appropriate number by expiration of term or otherwise and, thereafter, vacancies occur in one or more of these constitutionally appropriate numbers by expiration of term or otherwise.

SECTION 4. RETIREMENT AND TRUSTEE EMERITUS STATUS.

Each elected Trustee shall retire from the Board at the annual meeting following that Trustee's seventieth birthday. Any elected member who retires or who is not reelected may be designated by the Board as a Trustee Emeritus. Such designation shall confer no responsibilities, duties, rights, or privileges as such but shall constitute recognition of
services and experience and will publicly acknowledge that person as particularly suited for counsel and advice to the Board. The Board encourages the availability of Emeriti Trustees for such counsel and advice and may request special services of them.

**SECTION 5. COMPENSATION OF TRUSTEES.**

No Trustee shall receive pay or emolument other than his actual expenses incurred in the discharge of his duties as such; such expenses shall be paid or reimbursed from University funds upon the authorization of the Chancellor. Such authorization shall be subject to review and certification annually by the President of the Board, or, in his absence, the President pro tempore.

**SECTION 6. PRIMARY FUNCTIONS OF THE BOARD.**

In the exercise of its management and control of the University, the Board recognizes that it must determine major policy, review existing policy, define the missions, role and scope of the University and each of its major divisions or component institutions (hereinafter sometimes referred to as "campus"), and provide ultimate accountability to the public and the political bodies of Alabama. Any authority delegated by the Board shall be subject always to the ultimate authority of the Board.

Within these fundamental responsibilities, the Board will perform where appropriate, many essential functions, including but not limited to the following:

1. Establish policies and goals of the University and direct the Chancellor to implement and achieve those policies and goals;

2. Review and approve academic plans, including new programs and new units, and major modifications in existing programs and units;

3. Approve, upon recommendation of the Presidents, the earned degrees awarded;

4. Designate academic chairs and professorships; award honorary degrees; and name for individuals buildings and other structures (and major portions thereof), streets, geographic areas, and academic, research, and service programs;

5. Approve admission policies and levy fees and charges;

6. Review and approve legislative requests for appropriations;

7. Review and approve annual budgets and budget changes;

8. Approve all gifts where restrictions are indicated, designate the use of unrestricted gifts, and approve and designate the use of testamentary gifts;
9. Approve all loans, borrowing, and issuance of bonds;

10. Approve or authorize the Executive Committee to approve appointments and salaries of principal officials;

11. Approve or designate who shall approve compensation policy for faculty and staff;

12. Approve Campus Master Plans, Facilities Development Programs, and Capital Development Programs;

13. Approve or designate who shall approve all contractual relationships and other major legal obligations executed in the name of the Board;

14. Approve or authorize the Executive Committee to approve all purchases and sales, of real property, and insure that all properties of the University are preserved and maintained; and, by Board Rule, to authorize the Chancellor, after review by the General Counsel, to convey rights-of-way or easements for utilities that serve University facilities, programs, or activities;

15. Establish objectives, policies, and practices which provide for effective and prudent management, control, and preservation of the investment assets of the University;

16. Establish auditing policies and standards and appoint independent auditors;

17. Approve architects, engineers, and project managers, preliminary and final budgets, and award of construction contracts for certain capital projects, as well as the acquisition of certain new equipment and computer software and all land;

18. Approve all depository agreements for the deposit of funds.

**ARTICLE II**

**Meetings of the Board of Trustees**

**SECTION 1. ANNUAL AND REGULAR MEETINGS.**

The Board shall schedule annually, in advance, regular meetings of the Board to be held during the ensuing year and shall designate one of such meetings as the annual meeting of the Board. A scheduled regular or annual meeting may be cancelled or the date, place and time of holding the same may be altered by the Board without further notice or by the President pro tempore upon written notice, given at least seven (7) days prior to the
scheduled or rescheduled date, as the case may be. In any case, the Board shall meet at least once in each year.

SECTION 2. SPECIAL MEETINGS.

Upon the written application of four members of the Board, or any three members with his concurrence, the President pro tempore shall call a special meeting and issue notice thereof to the Trustees; but such a special meeting shall not be called for a day less than seven days subsequent to the date of the notice. In case there is no President pro tempore of the Board, or in case he is incapacitated and unable to act, then the Governor, as President of the Board, shall upon written notice of four members, in like manner, call such special meeting. In such notice the reason for calling the meeting shall be stated.

SECTION 3. ADJOURNED MEETINGS.

At any meeting, the Board may continue in session as long as it may deem proper for the welfare of the institution, and may at any session appoint a special or adjourned meeting.

SECTION 4. PLACE OF MEETINGS.

Regular meetings of the Board must be held at University, Alabama, but special or adjourned meetings may be held at University, Alabama, Montgomery, Alabama, Birmingham, Alabama or Huntsville, Alabama.

SECTION 5. ATTENDANCE.

Members of the Board must be physically present at any Board meeting in order to be considered present and attending or to vote at that meeting; provided however, that the Board may have a meeting by telephone, video conference, or similar means to the extent permitted by law.

SECTION 6. QUORUM.

Eight members of the Board of Trustees, exclusive of ex-officio members, shall constitute a quorum, except that the quorum shall be reduced to the number of elected trustees holding office in the event such number shall be less than eight; and every member present shall be required to vote, and a majority of those present shall govern unless a greater number is required hereunder or by any Board Rule provided for herein; except that no Trustee shall be required to vote if there exists a possible conflict of interest; however, in no event shall any action be taken unless the number of votes cast equals or exceeds the number required for a quorum.

SECTION 7. MINUTES.

Minutes of all meetings of the Board and its committees shall be promptly prepared and distributed to all members of the Board by the Secretary, and upon approval by the Board or committee, as the case may be, such minutes shall be recorded in substantially bound books retained by the Secretary.
SECTION 8. EXECUTIVE SESSION.
All meetings of the Board of Trustees shall be open to the public except that the Board may go into executive session when the character or good name of a woman or man is involved or when otherwise authorized by law.

SECTION 9. AGENDA.
The Board shall provide by Board Rule for the preparation and advance distribution to Board members of the agenda for all meetings. The President pro tempore shall have final approval of the agenda except for items proposed by Board members which shall be included. No business other than that on the agenda shall be transacted except by unanimous consent of the members present.

SECTION 10. RULES OF ORDER.
Rules of order shall be those normally governing parliamentary procedure, and unless overruled by a majority of Trustees attending, the chairman of the meeting will determine all questions concerning such rules.

ARTICLE III

Officers

The Board shall have the following officers and any other officer it may from time to time elect. Such officers shall have the powers and shall perform the duties as are set forth herein, together with those which may be authorized and delegated by the Board from time to time and the usual and customary powers and duties which are incident to the office. The offices of Secretary and of General Counsel may be held by the same person.

SECTION 1. PRESIDENT OF THE BOARD.
The Governor of the State of Alabama shall be ex officio President of the Board. He shall preside at all Board meetings which he attends and shall call special meetings of the Board upon the conditions hereinbefore set out.

SECTION 2. PRESIDENT PRO TEMPORE.
At each annual meeting of the Board, the Board shall elect one of their number to serve as President pro tempore until the next annual meeting. He shall preside at all Board meetings in the absence of the Governor and shall call special meetings of the Board upon the conditions hereinbefore set out. Further, he shall serve as Chairman of the Executive Committee and shall appoint such committees as may be authorized by the Board, or as he may deem desirable, fill vacancies which may occur on such committees and give final approval to the agenda for Board meetings as set out in Article II, Section 8. A Trustee shall not be elected to the office of President pro tempore for more than three one-year terms in succession. In the event of the death, incapacity or unavailability of the President pro tempore, the following person, if a current Trustee, shall act as President pro tempore in order of succession below:
1. The immediate past President pro tempore;
2. The next preceding President pro tempore
3. Such Trustee as designated by the Executive Committee.

Upon the death of the President pro tempore, the successor President pro tempore shall continue in office until the next annual meeting of the Board. The President pro tempore’s incapacity or unavailability is deemed to occur upon (1) written notice by the President pro tempore (e.g., unavailability due to out of town travel; incapacity due to scheduled surgery; etc.) or (2) the good faith determination by the Executive Committee that the President pro tempore is incapacitated or unavailable. If the President pro tempore provided written notice of his incapacity or unavailability, the successor President pro tempore shall continue in office until written notice from the President pro tempore of his capacity or availability. If the President pro tempore’s incapacity or unavailability were made by the Executive Committee’s determination, the successor President pro tempore shall serve in office until the Executive Committee makes a good faith determination that President pro tempore has capacity or is available. Notice under this Section shall be provided to the members of the Executive Committee and to the Chancellor.

SECTION 3. SECRETARY.

The Secretary shall be appointed by the Board and shall serve at its pleasure. He shall cause notice of meetings of the Board and its committees to be given to the members thereof; shall cause notice of meetings of the Board and its committees to be given to the public as required by law; shall prepare and distribute agenda; shall attend Board meetings; shall make, record and retain complete records and minutes of all official actions of the Board and its committees; and shall maintain all other deeds, contracts, books, and documents and records of the Board and its committees. Further, as Secretary, he shall be custodian of the corporate seal and, where required, affix the seal to documents executed on behalf of the Board and attest the same, and he may certify to any action of the Board. He shall have those additional duties assigned elsewhere herein or by Board rule or resolution.

SECTION 4. GENERAL COUNSEL.

The General Counsel shall be appointed by the Chancellor with the approval of the Board. The relationship between the General Counsel and the Board of Trustees of the University shall be that of attorney-client and shall be governed at all times by the rules and standards of professional conduct. The General Counsel shall, as authorized by the Board, prosecute and defend claims, and engage outside counsel to represent the University’s interests. The General Counsel and its staff will be available at all times to advise the Board on any matter involving the University’s interests.
ARTICLE IV

Committees

ORGANIZATION.

The Board may create such committees as it shall deem fit and proper and may assign to such committees any authority, duty or responsibility desired by the Board; such committees shall have as members thereof any Trustee or (excluding the Executive Committee) any other person whose experience, capabilities or position would be beneficial to the work of the committee. The committees of the Board shall consist of the standing committees created herein and any other committees created by the Board or the President pro tempore from time to time. The standing committees shall have the powers, duties, and responsibilities set forth herein or subsequently assigned by the Board, and other committees shall have the powers, duties, and responsibilities specifically assigned by the Board or President pro tempore. The President pro tempore of the Board shall appoint annually the chairs and all members of standing committees except the Executive Committee, which shall be composed of a chair, who shall be the President pro tempore of the Board, the chair of the Finance Committee, the chair of the Academic Affairs, Student Affairs, and Planning Committee, and two other members elected by the Board for one-year terms at the annual meeting of the Board. Vacancies in committee memberships shall be filled in the same manner as when originally selected except that vacancies on the Executive Committee may be filled at any meeting, with a term to expire at the next annual meeting.

METHOD OF OPERATION.

The committees and subcommittees shall meet upon the call of the Chancellor, the President pro tempore of the Board, or the chair of the committee or subcommittee. Unless otherwise provided, actions taken by such committees shall not be binding upon the Board but shall be advisory to the Chancellor and the Board. In the interim between meetings of the Board and in the absence of committee meetings, the Chancellor may confer with committee members in areas of committee responsibility. The standing committees of the Board shall consist of the following:

SECTION 1. EXECUTIVE COMMITTEE.

While the Board is not in session, the Executive Committee is authorized, empowered and instructed to perform any function of the Board when, in the opinion of the Executive Committee, action is advisable before the next regularly scheduled meeting of the Board, or to perform any function delegated to it by the Board or by statute. The committee shall report its action to the Board at the next Board meeting. Without further approval of the Board, the Executive Committee shall have the authority to lease, sell and convey real property of the Board, or any interest therein, except for any part of the principal campus areas at Birmingham, Huntsville, or Tuscaloosa, and to approve any step of the planning, design, and construction process for capital projects requiring Board approval; and shall report such actions at the next Board meeting.
SECTION 2. ACADEMIC AFFAIRS, STUDENT AFFAIRS, AND PLANNING COMMITTEE.

The areas of responsibility of this committee shall include reviewing and recommending approval of: long-range/strategic plans; new academic programs; evaluation of and modification to existing academic, research, and service programs; organizational structure; requests for legislative appropriations; mission statements and statements of role and scope; programmatic planning for new facilities; student affairs matters such as admission, safety and security, programs for social and personal development, residence status; institutional research; annual budgets as they apply to the above items; and other matters that may be referred to it by the Chancellor or the Board.

SECTION 3. FINANCE COMMITTEE.

The areas of responsibility for this committee shall include the review and recommendation for approval of: annual audited financial statements; annual budgets; financial reports; legislative appropriation requests; budget performance reports; long-range financial plans; student tuition, fees and financial aid programs; development and fund raising; financial exigency; depository approval; gift approval; review of campus indebtedness proposals; review of the campus annual information technology plans and purchases of hardware, software, services or related items; and other matters that may be referred to it by the Chancellor or the Board.

SECTION 4. PHYSICAL PROPERTIES COMMITTEE.

The areas of responsibility for this committee shall include evaluation of campus master plans and annual capital development plans; acquisition and disposition of land, facilities and equipment; construction-related contract review; ground leasing and facility leasing; planning and construction of new facilities and renovation of facilities; off-campus land use; and other matters that may be referred to it by the Chancellor or the Board.

SECTION 5. INVESTMENT COMMITTEE.

This committee shall be responsible for recommending investment objectives, broad asset allocation changes, policies, and practices to the Board. The committee is responsible for overseeing investment activities and performance; for ensuring the proper control and safekeeping of the investment funds and assets (such as land) retained by the University for investment purposes, for making changes within the broad asset allocation guidelines; and for the selection of external money managers, custodians and such consultants as are necessary to properly manage these funds.

SECTION 6. UAB HEALTH SYSTEM BOARD LIAISON COMMITTEE.

This committee shall consist of those persons appointed by the Board to serve on the UAB Health System Board (HSB). Its responsibilities shall be to represent the Board on the HSB and to keep the Board fully informed of the activities of the HSB. The term of membership on this committee shall correspond to the term of membership on the HSB.

SECTION 7. HONORARY DEGREES AND RECOGNITION COMMITTEE.

This committee shall be responsible for detailed review, study and recommendation of all matters coming to the Board regarding the authorization, designation of type,
awarding and conferring of honorary degrees; for the naming of buildings and other structures (and major portions thereof), streets, geographic areas, and academic, research, and service programs for persons who have made outstanding accomplishments in their fields of endeavor or who have made exemplary and major contributions to the University, state, or nation; and for other related matters.

**SECTION 8. AUDIT COMMITTEE.**

The function of the Audit Committee is to assure that the Board of Trustees maintains direct access to both internal and external functions of each campus and of the University System so that it may meet its constitutional responsibilities. The Audit Committee shall recommend to the Board guidelines for the operation of the committee and the auditing functions throughout the System. There shall be a General Auditor appointed by the Board who shall report administratively to the Chancellor but shall ultimately be responsible through the Audit Committee to the Board. This committee is responsible for the overview of internal and external audits, making recommendations for the selection of external auditors, reviewing the scope of audits, rendering guidance to the General Auditor in Board functions, and reviewing the findings of the Examiner of Accounts and all other external auditors.

**SECTION 9. COMPENSATION COMMITTEE.**

This committee shall be responsible for the establishment of the compensation of the Chancellor and, upon recommendation of the Chancellor, the compensation of the presidents, vice chancellors, board officers, provosts, vice presidents and such other senior academic and administrative officers as the Committee shall designate. In addition, it shall review any extraordinary salary and payment arrangements for University employees. The Committee shall periodically review the fringe benefit policies and such other aspects of the University’s compensation programs as the committee shall elect.

**SECTION 10. ATHLETICS COMMITTEE.**

This committee exists to assist the Board in its oversight of the intercollegiate athletics programs of each campus. The committee shall serve as liaison between the Board and the respective campuses and their athletic departments. It shall advise and consult with the Chancellor of The University of Alabama System and the campus Presidents on all matters that, in the judgment of the Chancellor and Presidents, have long-term impact on the operations, reputation and standing of The University of Alabama System and the campus athletic programs. Its responsibilities shall include monitoring and reviewing institutional compliance with the laws, rules, regulations, and policies of the Board, the campuses, the NCAA, and any other applicable governmental or regulatory agency or body; reviewing athletic budgets, facilities plans and student athletic fees; making recommendations to the Board as part of the annual budget, facilities, tuition and fee approvals; overseeing academic and other support services provided to student-athletes and monitoring their retention and graduation rates; requesting and reviewing reports on major legal, political, and public matters affecting the athletic departments or their personnel; and keeping the Board informed of relevant changes in conference and NCAA affiliations, structures, rules and regulations.
SECTION 11. LEGAL AFFAIRS COMMITTEE.
This committee shall act as liaison between the Board and the General Counsel or other attorneys representing the Board. The committee will keep the Board informed of all pending litigation and legal issues affecting the University System and the Board.

SECTION 12. NOMINATING COMMITTEE.
This committee shall make nominations to the Board for election to all positions which the Board has the responsibility to elect under Board Rules, statute, or the Constitution; including Board officers, new Trustees, Executive Committee members, and members of the UAB Health System Board, and such other nominations as assigned by the President pro tempore.

SECTION 13. SUBCOMMITTEES.
Subcommittees of the standing committees of the Board may be established from time to time as needed or as may be provided for by Board Rules.

SECTION 14. ATTENDANCE AT COMMITTEE AND SUBCOMMITTEE MEETINGS.
Committee and subcommittee meetings may be held in person or by means of a telephone or video conference or similar means that permits the members of the committee or subcommittee to simultaneously hear one another during the meeting and that permits any member of the public, including representatives of the media, that same opportunity. Either the chair or the majority of the members of a committee or subcommittee can determine in advance of a meeting whether attendance will be in person or by telephone, video, or similar means.

ARTICLE V

The University of Alabama System

SECTION 1. ORGANIZATION.
The University shall maintain its principal offices in Tuscaloosa County, Alabama. It shall be charged with the responsibility of providing to the State of Alabama comprehensive undergraduate, graduate and professional programs and other instructional, research, and service programs, all of the highest quality, through the operation of major components or campuses with varying missions at such locations as may be approved by the Board from time to time. The University of Alabama System includes The University of Alabama, with headquarters at University, Alabama; The University of Alabama at Birmingham, with headquarters at Birmingham, Alabama; and The University of Alabama in Huntsville, with headquarters at Huntsville, Alabama, each with a role and scope to be prescribed by the Board, and each administered by a President who shall report directly to the Chancellor. System coordination shall be effected by the Chancellor.

SECTION 2. AUTHORITY AND DUTIES OF THE CHANCELLOR.
The Chancellor shall be the chief executive officer of the University System and shall exercise such executive powers as are necessary for its appropriate governance. In the
exercise of such powers, the Chancellor is delegated full authority to formulate and issue regulations and orders not inconsistent with Board policy. The Chancellor shall be the principal link between the Board's responsibility for policy and each President's responsibility for operations. The Chancellor shall report directly to the Board the current affairs of all components of the University, and shall discuss with the Board basic issues, new or alternative directions and recommendations on new policies. To facilitate such reporting and discussion, the Chancellor, or the Chancellor’s designee, shall be a member of the board of directors and the executive committee of all foundations and other organizations affiliated with the System or any of the campuses. He/She shall direct, coordinate, and implement the planning, development, and appraisal of all activities of the System.

Within the general authority granted by the Board, the Chancellor shall perform duties and responsibilities including, but not limited to, the following:

1. Implement Board policies, continuously review the administration and effect of these policies and recommend to the Board, for consideration, modifications of policies and new policies at both campus and System levels;

2. Assume primary responsibility, with the assistance of the Presidents, for external relationships with the Governor's office, the Legislature, the Alabama Commission on Higher Education, federal agencies and other agencies, groups and institutions;

3. Recommend to the Board the mission, role and scope of the University and of its respective campuses;

4. Establish the guidelines and formats, coordinate the development and review, and submit to the Board recommended Campus Master Plans, Facilities Development Programs, and Capital Development Programs;

5. Participate in the implementation of capital projects requiring Board approval;

6. Direct and approve the preparation of a coordinated legislative request for both operating and capital appropriations, and direct the presentation of and justification for the request;

7. Review and recommend to the Board the budgets of each campus;

8. Coordinate all functions of the University to assure an integrated institution of related and cooperating campuses, with coordinated educational programs so that quality and comprehensiveness are emphasized, cooperation is insured, and unnecessary duplication is avoided;
9. Establish financial, budgetary, audit, and business procedures for the efficient and effective management of the University;

10. Recommend to the Board, after an appropriate search process, the appointment and compensation of Presidents. With the approval of the President pro tempore, and with prior notice to the Board, terminate the employment of Presidents;

11. Receive and review recommendations from the Presidents and transmit such recommendations to the Board along with his/her recommendations for appointment and compensation of campus vice presidents and other principal campus academic and administrative staff;

12. Review and recommend action on all legal commitments and all other matters within the province of the Board, including contractual arrangements; and

13. Coordinate the development and recommend to the Investment Committee for adoption by the Board objectives, policies, and practices which will provide for effective and prudent management, control, and preservation of the investment assets of the University. Provide staff assistance to the Investment Committee for overseeing investment activities and performance, and for ensuring the proper control and safekeeping of the investment assets of the University. Supervise the implementation of established investment policies and practices.

**SECTION 3. AUTHORITY AND DUTIES OF THE PRESIDENTS.**

There shall be a President of each component institution who shall be chief executive officer thereof and who shall have full authority to administer campus affairs and to formulate and issue regulations and orders not inconsistent with the Bylaws, rules, policies and procedures of the Board and the Chancellor. The President shall be responsible for the participation of his campus in the overall planning, resource allocation, and program evaluation of the University. The President shall report directly to the Chancellor and through him to the Board of Trustees. The Chancellor shall provide an opportunity for the President to present his views on any matter which affects the University. Within the general authority granted by the Board and the Chancellor, the President shall perform duties and responsibilities including but not limited to the following:

1. Primary responsibility for all of the factors that contribute to the quality of academic (teaching, research, and public service) and support programs of the campus. Such factors include the general supervision of all campus faculties, the allocation and utilization of available resources within the campus, and any and all matters related to the welfare of the campus;
2. General supervision of all relationships between students and the various levels of campus administration. Such supervision includes but is not limited to admissions, registration and records, academic progress and advising, counseling, housing, scholarships and financial aids, student activities and services, placement, foreign students, and the evaluation and certification of academic credit from other institutions;

3. Financial management of the campus and its component parts in conformity with University management policies and practices. This function shall include but is not limited to the preparation of budgets and legislative requests, assistance in legislative presentations, maintenance of financial records and accounts for activities of the campus, the receipt and expenditure of all campus funds, and preparation of required financial reports;

4. Personnel administration including employment and termination, wage determination, and conditions of employment for faculty and other employees of the campus;

5. Operation and maintenance of the physical plant, purchase of supplies and equipment, and the maintenance of appropriate inventories and records of real and personal property under the jurisdiction of the campus;

6. Fund raising, intercollegiate athletics, auxiliary enterprises, and alumni activities;

7. Participate in the development of objectives, policies, and practices which will provide for effective and prudent management, control, and preservation of the investment assets of the University. Implement assigned investment responsibilities and ensure compliance with restrictions established by external donors, as well as limitations placed by the Board on funds functioning as endowment;

8. Develop and submit to the Chancellor Campus Master Plans, Facilities Development Programs, and Capital Development Programs;

ARTICLE VI

Seals

SECTION 1. OFFICIAL CORPORATE SEAL.

The official corporate seal of The Board of Trustees of The University of Alabama shall be circular in form, encircled with a rope-like band enclosing the words "THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA," and the date of
opening for classes, "1831." Within the circle formed by this boundary, the Roman
goddess of wisdom, Minerva, in classical flowing robe, and with one hand on a globe,
stands on a low pedestal with a bound book leaning against it. Lying on the ground to her
left is an open scroll and in her hand she holds an olive branch. In the background to her
right the sun casts its rays and in the words of Governor Israel Pickens, "represents the
light of science beaming on this hemisphere so lately emerged from a heathenish
wilderness." The corporate seal shall be used on all contracts requiring a seal and all
Board and System certifications.

SECTION 2. INSTITUTIONAL SEALS.
The official institutional seal to be used by the campuses shall be the same as the
official corporate seal, except that the words "THE BOARD OF TRUSTEES OF" shall be
deleted, as shown below, and except that The University of Alabama at Birmingham and
The University of Alabama in Huntsville may elect to delete the date, "1831", and
substitute therefore the words "BIRMINGHAM" or "HUNTSVILLE", respectively, as
shown below. The Helvetica Bold lettering style for these substituted words must be
uniform and must be reduced in size to fit the available space, as shown below.

The institutional seals may be reproduced in color but shall not be varicolored,
except in the following instance. When the seal is displayed using metallic engraving or
embossing, a single designated color may be used in the background of the encircling band
where the institution's name is displayed. Only one color chosen by the institution shall be
used in the background in such an instance. The official institutional seal shall be used in
all diplomas, transcripts, and institutional certificates.

Each institution shall report the form and color of seal it has adopted and shall use
only that form and color until a change has been approved by the Board.
ARTICLE VII

Rules of the Board of Trustees

The Board of Trustees may, from time to time, establish policy and procedure, through actions to be known as “Board Rules.” Board Rules shall be adopted by the Board and may be amended or repealed, in whole or in part, at any meeting of the Board. All policies and procedures heretofore or hereafter established by adoption of resolutions of the Board or Executive Committee shall be and remain in full effect unless specifically rescinded or unless such shall be in conflict with the Bylaws or Board Rules.

ARTICLE VIII

Amendment or Repeal of Bylaws

New bylaws may be adopted and existing bylaws may be amended or repealed at any meeting of the Board, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment, or repeal shall have been given at a previous meeting or notice in writing of the substance of the proposed change shall have been served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change, provided, however, that by unanimous consent of the entire membership of the Board, the requirements for such notice may be waived.
BOARD RULES

OF

THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ALABAMA
# TABLE OF CONTENTS

## 100 SERIES ORGANIZATION

<table>
<thead>
<tr>
<th>Rule</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 101</td>
<td>The Organic Law of the University</td>
<td>27</td>
</tr>
<tr>
<td>Rule 102</td>
<td>Organization of the Board of Trustees</td>
<td>29</td>
</tr>
<tr>
<td>Rule 103</td>
<td>Executive Committee</td>
<td>33</td>
</tr>
<tr>
<td>Rule 104</td>
<td>Honorary Degrees and Recognition</td>
<td>35</td>
</tr>
<tr>
<td>Rule 105</td>
<td>Ownership and Preservation of Records and Files</td>
<td>41</td>
</tr>
<tr>
<td>Rule 106</td>
<td>Ethics -- Conflict of Interest – Members of The Board of Trustees and Senior Administrators</td>
<td>43</td>
</tr>
<tr>
<td>Rule 107</td>
<td>Adoption, Amendment or Repeal of Board Rules</td>
<td>49</td>
</tr>
</tbody>
</table>

## 200 SERIES STUDENTS

<table>
<thead>
<tr>
<th>Rule</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 201</td>
<td>Admission of Students</td>
<td>53</td>
</tr>
<tr>
<td>Rule 202</td>
<td>Non-resident Tuition Policy</td>
<td>55</td>
</tr>
<tr>
<td>Rule 203</td>
<td>Student Discipline</td>
<td>61</td>
</tr>
<tr>
<td>Rule 204</td>
<td>Policy on Posthumous Degrees</td>
<td>63</td>
</tr>
</tbody>
</table>

## 300 SERIES PERSONNEL

<table>
<thead>
<tr>
<th>Rule</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 301</td>
<td>Tenure</td>
<td>67</td>
</tr>
<tr>
<td>Rule 302</td>
<td>Compensation Policy</td>
<td>71</td>
</tr>
<tr>
<td>Rule 303</td>
<td>Compliance With Drug-Free Workplace Requirements</td>
<td>75</td>
</tr>
<tr>
<td>Rule 304</td>
<td>Political Activities of University Personnel</td>
<td>79</td>
</tr>
<tr>
<td>Rule 305</td>
<td>Service as Bank Directors by University Officers</td>
<td>81</td>
</tr>
<tr>
<td>Rule 306</td>
<td>Publication of Faculty, Personnel, or Other Handbooks or Manuals</td>
<td>83</td>
</tr>
<tr>
<td>Rule 307</td>
<td>Board Recognition of Faculty and Staff</td>
<td>85</td>
</tr>
<tr>
<td>Rule 308</td>
<td>Housing and Moving Expenses of a Chancellor or President</td>
<td>87</td>
</tr>
<tr>
<td>Rule 309</td>
<td>Compensation Guidelines for Retreating Presidents and Chancellor</td>
<td>89</td>
</tr>
<tr>
<td>Rule 310</td>
<td>Employment of or Contracting with Individuals who are Receiving Retirement Benefits from the Alabama Teachers’ Retirement System</td>
<td>91</td>
</tr>
<tr>
<td>Rule 311</td>
<td>Previous Service With External Auditors</td>
<td>93</td>
</tr>
</tbody>
</table>
400 SERIES  FINANCIAL AFFAIRS

RULE 401.  Finance Committee Operations ................................................................. 97
RULE 402.  Financial Accounting and Reporting ...................................................... 99
RULE 403.  Funding of and Accounting for Expenses of The University of Alabama System Office ................................................................. 101
RULE 404.  Investment Policy and Guidelines ......................................................... 103
RULE 405.  Deposit of University Funds ................................................................. 113
RULE 406.  Authority to Transact Business on Behalf of the Board ....................... 117
RULE 407.  Auditing Operations .............................................................................. 119
RULE 408.  Internal Audit Policies and Standards .................................................. 123
RULE 409.  Legislative Appropriations Requests .................................................. 127
RULE 410.  Annual Operating Budgets ................................................................. 131
RULE 411.  Minimum Standards, Acceptance, and Reporting of Gifts and Use of Gift Revenue ................................................................. 133
RULE 412.  Consolidation of Funds from the 1884 Federal Land Grant and Designation of the Income from a Portion of Those Funds and of the Income from Future Mineral Royalties for Trustee-Sponsored Chairs and Library Support at UA .................................................. 141
RULE 413.  Travel Guidelines .............................................................................. 153
RULE 414.  Utility Easements .............................................................................. 159
RULE 415.  Planning and Management of Facilities and Other Capital Assets ......... 161
RULE 417.  Physical Properties Committee Operations ................................ .......... 199
RULE 419.  Procedures for Issuing Bonds ............................................................. 201

500 SERIES  ACADEMIC AFFAIRS, STUDENT AFFAIRS, AND PLANNING

RULE 501.  Responsibilities of the Academic Affairs, Student Affairs, and Planning Committee ................................................................. 215
RULE 502.  Establishing New Programs ................................................................. 219
RULE 503.  Academic, Research, Service, and Administrative Units ...................... 239
RULE 504.  Review of Existing Academic Programs .............................................. 243
RULE 505.  Changes in Academic Program Status .................................................. 245
RULE 506.  Cooperative, Joint, and Shared Degree Programs ............................... 247
RULE 507.  Academic Program Planning ............................................................... 251
RULE 508.  Establishment of Academic Chairs, Professorships, and Endowed Lectureships and the Designation of Holders of Academic Chairs and Professorships ................................................................. 253
RULE 509.  Patent Policy ...................................................................................... 257
RULE 510.  UASOM Policy and Procedures for the Review and Approval of New Residency Programs or the Expansion of Existing Residency Programs ........................................................................ 261
RULE 511.  Procedure for Review and Approval of Affiliation Agreements Concerning Undergraduate Medical Education or House Staff Training (Residencies) Within UASOM .................................................. 263
RULE 512.  Establishment of and Induction into Institutional Halls of Fame ............ 265
100 Series

ORGANIZATION
101. The Organic Law of the University

The governing and controlling law, rules, policies, procedures, practices, and customs of the University and the rights, privileges, and duties of its officials, officers, faculty, employees, students and alumni are found only in the Bylaws, Rules and Resolutions of The Board of Trustees; in the policies formally promulgated by officials of the University under an express delegation of authority from the Board; and, generally, in the constitutional and statutory provisions, governmental regulations and decisions, and judicial determinations applicable to and affecting the University.

Any policy adopted by the Board or its officials, as well as any duties or rights created thereby, may, through the established procedures of the Board, be amended, deleted, or otherwise changed unless a provision to the contrary expressly appears in such policy.

(Adopted November 30, 1977 as Rule 150; amended and renumbered December 5, 1997.)
102. **Organization of the Board of Trustees**

**A. General**

Under Article 264 of the Constitution of Alabama of 1901, as amended by Amendment 399, The Board of Trustees of The University of Alabama shall govern the University through Bylaws, Board Rules, Resolutions and other appropriate delegation of authority to its committees and officials. Board Rules are provided for specifically in Article VII of the Bylaws.

**B. Meetings**

At its annual meeting, the Board shall adopt a calendar of meetings for the next year which shall indicate the date and city in which the meetings shall be held. The President pro tempore of the Board, after conferring with the Chancellor, shall fix the specific time and place for each meeting, and notification thereof shall be given by the Secretary to the members, the Chancellor, the Presidents and to the public by advance notice to campus and local newspapers in Tuscaloosa, Birmingham, Huntsville and to other news media requesting such information in advance. The Board shall designate one meeting on each campus each year for the purpose of receiving detailed reports and presentations from that campus.

**C. Agenda Order of Business**

The order of business for Board meetings shall be fixed by the President pro tempore but shall normally consist of the following:

1. Roll call
2. Minutes of preceding meeting
3. Report of Chancellor and Presidents, if any
4. Committee reports
5. Other business

**D. Development and Preparation of Agenda**

The following procedure shall be followed in the development and preparation of the agenda for Board meetings.

1. The Presidents shall transmit to the Chancellor those items which they wish to suggest for inclusion on the Board agenda. In order to insure adequate time for review, items should be transmitted as early as practicable but in all cases at least four (4) weeks prior to the Board meeting.
2. Except for resolutions of appreciation or condolence, all items submitted by the Presidents shall include:
   a. Summary statement, preferably limited to less than one page, including recommendation of the President
   b. Proposed Resolution or other action
   c. Full documentation to support proposed action

3. The Chancellor and, where appropriate, his or her staff shall review those items submitted by the Presidents. The Chancellor, with approval of the President pro tempore, shall determine which of these matters submitted by the Presidents are appropriate for the Board agenda and, for those matters to be included, shall transmit his or her written recommendations to the Secretary at least seventeen (17) days prior to the Board meeting.

4. The Chancellor shall also consider and transmit to the Secretary at least seventeen (17) days prior to the Board meeting any additional items he or she recommends for inclusion on the agenda.

5. The Chancellor may refer any item to the appropriate Board Committee or to the Chancellor’s Advisory Council, consisting of the campus Presidents, for review and consultation. For this reason it is important that items needing prompt action be submitted as soon as the President's recommendation is ready.

6. Any Board member may submit to the Secretary or to the President pro tempore any item for inclusion on the agenda.

7. The Secretary shall then prepare the agenda for the approval of the Chancellor and of the President pro tempore.

8. After approval by the Chancellor and the President pro tempore, the Secretary shall transmit the approved agenda with appropriate documentation with the Chancellor's recommendation on each item to each elected trustee (and to ex officio trustees on their request) and to the Chancellor and the Presidents at least 12 days in advance of the Board meeting. Prior to the regular date for transmitting agenda material to the Board, the Chancellor should cause to be forwarded items which are complete.

9. The President pro tempore may add or delete agenda items or otherwise alter the agenda prior to the meeting, except that items proposed by Board members must be included on the agenda. No business except that on the agenda shall be transacted except by unanimous consent of the members present.
E. **Board Committees**

Board committees are provided for in Article IV of the Bylaws. Committees and subcommittees shall meet on call of the Chancellor, the President pro tempore of the Board or the chair of the committee or subcommittee. The agenda shall be determined by the committee chair on recommendations of the Chancellor, and the Secretary of the Board will cause minutes of such meetings to be prepared, as needed, and distributed to members of the committee, and, after approval by the committee, to the elected members of the Board. The Secretary of the Board will also maintain said minutes for a reasonable period of time for information of the Trustees, but not as a part of the official records of the Board.

103. **Executive Committee**

The Bylaws of The Board of Trustees (herein called Board) provide for an Executive Committee (herein called Committee) which shall operate as follows:

A. **Operating Procedures**

The operating procedures of the Executive Committee shall consist of both direct functions in the name of the Board and study and recommendation functions directed toward Board action including Board policy.

1. **Direct Functions**

   The Committee shall perform the following direct functions for and in the name of the Board under specific delegations of authority to the Committee:

   a. Emergency functions of the Board while it is not in session and other functions customarily performed by the Committee. Unless overruled by a majority of the members of the Committee, the Chair shall determine whether a situation or item needs Board action prior to its next meeting. Action may be taken upon the oral or written response of a majority of the members of the Committee which shall be reported at the next Board meeting.

   b. Leasing, selling and conveying real property of the Board, or any interest therein, except for any part of the principal campus areas and except for any real property held or functioning as endowment, other than quit claim deeds to clear title based upon opinions of the Attorney General of Alabama, and except for leases extending for a period of more than five years. Such action shall be reported at the next meeting of the Board. All other leases or conveyances must have prior approval of the Board.

   c. Any matter specifically delegated to the Committee for study or action by the Board.

2. **Study and Recommendation Functions**

   The Committee shall provide advice and counsel to the Chancellor or to the Board on request, particularly in the areas of organization, administration and personnel policies, compensation, alumni affairs, legislative and external relations except for fund requests, real property matters including land management and use, patents, licenses and copyrights, and other related matters.
B. Plan of Work

In performing the functions assigned to it, the Executive Committee shall recognize and adhere to the following plan of work:

1. The Committee or its individual members shall be available to and shall confer with the Chancellor or with the Presidents at the Chancellor's request.

2. The Committee shall analyze and review its assigned functional areas and make recommendations to the Board, where Board action is necessary or desirable.

3. The Committee may cause specific studies to be made in any of its assigned functional areas and shall utilize the Office of the Chancellor and institutional resources through the Offices of the Presidents to the extent possible, but may also utilize consultants as deemed advisable.

4. Requests for Committee action between meetings of the Board shall be presented to the Chair by or on behalf of the Chancellor or by any member of the Committee.

5. If the Chair determines that an emergency exists requiring action, he or she may call either a full committee meeting or a telephone meeting as he or she deems appropriate. The Secretary shall perform such functions as may be directed by the Chancellor or Chair in effecting the desired procedures.

6. Conveyance of real property or an interest therein may be approved by mail and executed by all members of the Committee without a meeting. Delegation of authority for the execution of such conveyances to specific University administrative officials may be made by the Committee at a regular or emergency meeting. All conveyances executed or authorized by the Committee shall be reported by it to the Board at its next meeting.

(Adopted March 26, 1977 as Committee Guidelines; amended January 21, 1981; amended and adopted as Board Rule December 5, 1997; amended November 14, 2008.)
104. **Honorary Degrees and Recognition**

The Board of Trustees of The University of Alabama historically has awarded honorary degrees to or named property or programs for persons on whom it wishes to confer its highest honors based on major contributions or outstanding accomplishments in their fields of endeavor. In order to preserve the prestige and high honor of these recognitions, the Board of Trustees deems it desirable to state its general policies and procedures for the awarding of honorary degrees, and the naming of its academic programs, buildings, and other properties.

I. **Policy**

A. **Honorary Degrees**

Recipients of honorary degrees should be restricted to those persons outstanding in their contributions or service: (1) to The University of Alabama System or to one of the System institutions; (2) to their state, nation, or the international community; or (3) in their profession or fields of endeavor. Contributions shall include cultural, scientific, economic, or humanitarian activity. The number of honorary degrees awarded shall be limited in number and restricted to persons of genuine distinction.

B. **Naming of Buildings**

Campus and other University-owned buildings or major portions thereof, other structures, streets and geographic areas will be named by the Board when recognition is desired for honoring or memorializing individuals who have made major contributions to or performed outstanding services for The University of Alabama System or one of the System institutions.

Individuals who are currently professionally active or who have been inactive for less than three years will not be recognized in this way unless they qualify under the minimum standards section (III.A.8.) of Board Rule 411. This includes active University staff members, elected officeholders, and other individuals of distinction. In all cases, except as outlined below, the Board shall approve in advance the names of individuals to be so recognized.

In the event, however, that one of the System institutions wishes to undertake a plan of fund raising in which definable portions of a specific building would be given donors' names through campus administrative action, the Board of Trustees may approve such plan in its entirety in advance. In such instances, a list of donors so recognized shall be returned to the Board upon completion of the fund-raising campaign, for the purpose of maintaining a permanent historical record.
It should be recognized that the Board has a development policy which specifies that no donor shall have a building named in his or her honor unless he or she has contributed at least fifty-one percent (51%) of the cost thereof, as stipulated in Board Rule 411. This policy shall be followed unless the Board finds special need for making an exception, particularly when the person is not being recognized solely for the donation.

C. Naming of Programs

Academic, research, or service programs may be named by the Board for individuals to honor, memorialize, or recognize those individuals. Selection of such individuals will be made based on factors developed by the Honorary Degrees and Recognition Committee, including: significant endowed financial contributions, according to standards outlined in Board Rule 411; outstanding service to the state, nation, or world; or outstanding achievement in a field of endeavor that relates to the program being named. Individuals who are currently professionally active or who have been inactive for less than three years will not be recognized in this way unless they qualify under the minimum standards section (III.A.9.) of Board Rule 411. This includes active University staff members, elected officeholders, and other individuals of distinction. In all cases, except as outlined below, the Board shall approve in advance the names of individuals to be so recognized.

Under current Board policy, a program shall not be named for a donor because of a financial contribution unless the donor has contributed the greater of $5 million or an endowment that should generate twenty percent (20%) of the current annual operating cost of that school, college, or division. The Board may make exceptions to this minimum level in special circumstances where, for example, the person is not being recognized solely for the donation.

II. Procedures

The Bylaws of the Board of Trustees (herein called Board) provide for an Honorary Degrees and Recognition Committee (herein called Committee).
A. Honorary Degrees

1. Procedures for Recommending Honorees

The Committee shall actively seek persons who meet the criteria stated in Section I.A. above, and shall attempt to provide balance within the categories of contribution or service set forth. Nominations of potential recipients of honorary degrees may be made by any Trustee, by the Chancellor or by a President. Recommendations from the campuses shall be made through the appropriate President.

Nominations shall be submitted to the Secretary of the Board at least 30 days prior to the Board of Trustees meeting at which the Committee recommends approval. The Secretary shall promptly forward nominations to all Trustees, including those on the Committee, to the Chancellor, and to all Presidents. Submissions shall include biographical information on the nominee, together with an explanation of and justification for the proposed award, and designation of which institution of the System would award the degree.

If the Committee recommends approval of a nominee, his or her name shall be presented to the entire Board for approval. Approval by the entire Board is needed before the honorary degree may be awarded. No nominee shall be notified about his or her candidacy prior to approval by the entire Board.

If an honorary degree has not been granted within two years of approval by the Board, the name may be put before the Committee once more, so that the Committee may review updated information about the nominee. Then, if the Committee recommends, the name must be resubmitted to the Board for reapproval before the degree may be awarded.

2. Awarding the Honorary Degree

Once the entire Board has approved a nominee, the degree shall be awarded at a commencement exercise held by the institution awarding the degree, within two years of Board approval. The President shall be joined by a Trustee, to be designated by the President Pro Tem of the Board, at the ceremony, in the presentation of the honorary degree.
The President of the institution at which the degree is to be awarded shall be responsible for preparation of citations and diplomas for honorary degrees. Diplomas shall follow the form attached as Attachment A.

3. Number of Awards

Each institution may award up to three (3) honorary degrees per calendar year.

No individual may receive a lifetime total of more than one (1) honorary degree from The Board of Trustees of The University of Alabama.

4. Type of Degrees

The type of each honorary degree to be awarded shall be determined by the Board, after consultation with the Chancellor and the President of the appropriate institution, with degrees normally being limited to the following:

- Doctor of Laws (LL.D.)
- Doctor of Science (D. Sc.)
- Doctor of Humane Letters (L.H.D.)
- Doctor of Humanities (D. Humanities)
- Doctor of Letters (Litt. D.)
- Master of Arts, Honorary (M.A., Hon.)
- Master of Science, Honorary (M.Sc., Hon.)

B. Naming of Buildings and Programs

The Committee shall actively seek persons to be recognized by having buildings, geographic areas, or programs named in their honor. It shall consider nominations by Trustees, the Chancellor and Presidents of the institutions and shall consider recommendations from the general public through one of said officials. Recommendations from the campuses shall be made through the appropriate President.

Proposals for naming honors shall be submitted to the Secretary of the Board at least 30 days prior to the Board of Trustees meeting at which the Committee recommends approval. The Secretary shall promptly forward proposals to all Trustees, including those on the Committee, to the Chancellor, and to all Presidents.
Submissions shall include biographical information on the proposed honoree, together with an explanation of and justification for the proposed honor.

If the Committee recommends approval of a proposed naming of a building or program, the proposal shall be presented to the entire Board for approval. Approval by the entire Board is needed before a building- or program-naming honor may be conferred. No honoree shall be notified about his or her proposed honor prior to approval by the entire Board.

If the proposed building- or program-naming honor has not been conferred within two years of approval by the Board, the naming proposal may be put before the Committee once more, so that the Committee may review updated information about the proposed honoree. Then, if the Committee recommends, the name must be resubmitted to the Board for reapproval before the naming honor may be conferred.

C. Notification of Trustee Actions

The Secretary of the Board shall notify the Chancellor, in writing, of the action of the Board of Trustees approving the awarding of honorary degrees or naming of buildings, geographic areas, or programs immediately after such action is taken by the Board, and the Chancellor shall either notify such honoree of the action or give written authorization to the President of the appropriate institution to notify the honoree of such action.

D. Naming by Presidents

The Presidents have authority to name any building or structure or any portion thereof, streets, geographic areas, and academic, research, and service programs which: (1) shall not be named for individuals; (2) have not been named by the Board; and (3) are named according to their use or function or some general descriptive purpose.

(Adopted May 14, 1977 as Committee Guidelines; amended May 19, 1982; February 3, 1983; June 26, 1986; June 22, 1990; amended and adopted as Board Rule December 5, 1997; amended September 18, 1998; April 19, 2002; November 7, 2003.)
The Board of Trustees

of

The University of Alabama

has awarded to

the degree of

Honoris Causa

with all the rights, privileges and honors thereunto

appertaining.

IN TESTIMONY WHEREOF, this Diploma is issued with the Seal of

the Board and the signatures authorized by the Trustees hereunto

affixed.

Conferred at The University of Alabama (at Birmingham)(in Huntsville)

on this the _____ day of ______________ .

_________________  ___________________
Governor of Alabama, President  Chancellor
The Board of Trustees of  The University of Alabama System
The University of Alabama

_________________  ___________________  ___________________
President,  President,  President,
The University of  The University of  The University of
Alabama  Alabama at Birmingham  Alabama in Huntsville
105. **Ownership and Preservation of Records and Files**

All records and files created, held, or received by employees or others in the scope of their work for or on behalf of the University are the property of the University.

The Chancellor is authorized to develop guidelines and procedures for the collection, protection, preservation of, and access to University records and files and for appropriate archives at each campus. At the Chancellor's discretion, this authorization may be delegated to the President of each campus. In developing such guidelines and procedures, the Chancellor or Presidents may choose to refer, for general guidance only, to any document related to a Public Universities of Alabama Records Disposition Authority issued by the State Records Commission.

(Adopted September 22, 1983 as Rule 160; renumbered December 5, 1997; amended November 8, 2002.)
106. Ethics - Conflicts of Interest - Members of The Board of Trustees and Senior Administrators

The University of Alabama System needs individuals with varied experience and successful involvement in business, industry, education, the professions and government on its Board of Trustees and as its senior administrators. Such Trustees and administrators may be called upon to participate in decisions that directly or indirectly affect their outside responsibilities or property interests. It is those decisions to which this rule is addressed, recognizing that, in some instances, the questions may, of necessity, be resolved on a case-by-case basis.

Members of governing boards and senior administrators of institutions of higher education hold positions of public trust of high order, requiring unquestioned confidence in their professional integrity by all the institution's constituencies. Responsible management of institutional affairs requires that their decisions are based solely on their understanding of what is in the best interest of the institution, uncluttered by any other considerations and unencumbered by conflicting obligations or interests.

As Justice Cardozo wrote in a New York case in 1928, "Many forms of conduct permissible in a workaday world for those acting at arm's length, are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the marketplace. Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior. As to this there has developed a tradition that is unbending and inveterate... Only thus has a level of conduct for fiduciaries been kept at a level higher than that trodden by the crowd." Meinhard v. Salmon, 249 N.Y. 458, 464, 164 N.E. 545, 546 (1928).

It is for these reasons that the members of The Board of Trustees have voluntarily adopted and subscribed to this rule relating to conflicts of interest, doing business with the University, or revealing sensitive or "inside" information to others who might unfairly benefit therefrom.

While the Board recognizes that, in some instances, these rules may go beyond the basic requirements of the common law and constitutional or statutory provisions, they are adopted for the dual purpose of providing guidance to present and future members and senior administrators and to eliminate situations which could allow, or even give the appearance of allowing, self-interest to enter into Board or administrative procedures and decisions.

I. Conflict of Interest in Business Practices

In any transaction between the Board and another entity, Board members and senior administrators must disclose (i) any substantial interest that they or family members hold in the other entity; (ii) if they or their family members serve as directors or senior executive officers in the other entity; and (iii) if they or their family members receive compensation from the other entity. For purposes of this section, "family members" includes the spouse, ancestor, brother or sister (whole or half blood), child (natural or adopted), grandchild, great grandchild or the spouse of
a sibling, child, grandchild or great grandchild; “substantial interest” means more than a thirty-five percent (35%) interest in any entity, individually (including family members) or collectively with other Board members and senior administrators (including their family members), or, in the case of a partnership or professional corporation, more than a five percent (5%) interest individually (including family members) in such partnership or professional corporation; and “compensation” means any direct or indirect remuneration, gifts, or favors of a value in excess of $250. Required disclosures shall be made in the manner described below.

A. Disclosure by Board Members

Board members shall voluntarily and promptly disclose any potential conflict of interest, as described above, to the President pro tempore of the Board by a notice in writing of the details of such potential conflict. If the President pro tempore has any reservations about proceeding with the transaction so disclosed, he or she shall share the notice and his or her concerns with the Executive Committee of the Board, which shall have final authority in such matters. In like manner, the President pro tempore shall disclose any personal potential conflict of interest to the other members of the Executive Committee. In troublesome cases, the Executive Committee may seek a ruling from the Public Review Committee described in Section VIII below.

Should Board approval of any transaction described above be required, interested Board members shall abstain from participation, deliberation, and voting in regard to the transaction and the minutes of the meeting shall so reflect. Board members shall also refrain from attempting to influence other Board members on the matter giving rise to the conflict of interest.

B. Disclosure by Senior Administrators

Senior administrators, for purposes of this Rule, are defined to be the Chancellor, other Board officers and Vice Chancellors of The University of Alabama System, the Presidents and Vice Presidents of each campus and any others so designated in writing by the Chancellor. Senior administrators, other than the Chancellor, shall disclose any potential conflict of interest, as described above, to the Chancellor by a notice in writing of the details of such potential conflict, with a copy of such notice being delivered to the appropriate President, in the case of a campus administrator other than a President. The Chancellor shall disclose any potential conflict of interest, as described above, to the President pro tempore of the Board by a notice in writing of the details of such potential conflict. If the Chancellor, in the case of other senior administrators, or the President pro tempore, in the case of the Chancellor, has any reservations about proceeding with the transaction so disclosed, he or she shall share the notice and his or her concerns with the Executive Committee of the Board, which shall have the final authority in such matters. In troublesome cases, the Executive Committee may seek a ruling from the Public Review Committee described in Section VIII below.
Senior administrators who have a potential conflict of interest shall refrain from attempting to influence other administrators or Board members on the matter giving rise to the potential conflict of interest. In the event the transaction requires the approval of the disqualified senior administrator, that approval authority shall be delegated by operation of this Rule as follows: In the case of disqualification of the Chancellor, the approval authority shall be delegated to the President pro tempore of the Board, who will notify the Executive Committee. In the case of the disqualification of any other senior administrator, the approval authority shall be delegated to that senior administrator’s supervisor. In the case of disqualification of multiple senior administrators, such that the delegation of authority as outlined above is not possible, the approval authority shall be delegated to the President pro tempore of the Board or his designee.

II. Conflict of Interest in Employment

For the purpose of this Section II, the Chancellor is considered to be the appointing and employing authority for the employees of the System Office, and the President of each campus is considered to be the appointing and employing authority for the employees of that campus. This authority may be delegated in whole or in part, and, to the extent that it is, the designee of that authority, and not the Chancellor or President, becomes the appointing and employing authority.

No appointing authority shall employ or appoint a person related to him or her within the fourth degree of affinity or consanguinity to any job or position within the University.

Neither members of the Board nor any family members of Board members or senior administrators, as defined in Section I above, may be offered employment for compensation in a regular position within the University until approved as follows: Offers to employ any member of the Board or family members of Board members or senior administrator must be submitted to and approved or disapproved by the President of the campus offering the employment and reported by that President to the Chancellor, who shall inform the President pro tempore of the Board. Offers to employ any family members of the Chancellor shall be submitted to and approved or disapproved by the President pro tempore of the Board, who shall inform the members of the Board. Offers to employ any family members of a President shall be submitted to and approved or disapproved by the Chancellor, who shall inform the members of the Board.

The members of the Board and senior administrators shall not advocate or attempt to influence the employment of any of their family members.

Any employment in violation of this policy shall be void.
III. Conflict of Interest in Revealing or Using Confidential Information

No Board member or senior administrator shall disclose confidential information regarding Board or administrative decisions or future actions to others who might unfairly benefit therefrom, nor use such inside information for his or her own benefit or for the benefit of his or her family members (as defined in Section I above).

IV. Conflict of Interest in Other Matters

In addition to the matters identified above, members of the Board and senior administrators should not:

(a) Condition any actual or potential business relationship with the Board, its constituent universities, or its related foundations and associations, on a charitable gift or contribution to the Board, its constituent universities, or related foundations and associations.

(b) Use the authority, title, influence, or prestige of his or her position to solicit or influence the award of business to others or to otherwise obtain a private financial, social, or political benefit, special privilege, or exemption for the Board member, senior administrator, or family member as defined above in Section I.

(c) Solicit personal gifts or special favors from individuals or entities that provide, or seek to provide, services or supplies to the Board, its constituent universities, or related foundations and associations. This does not include occasional gifts of nominal or modest value (less than $250 or isolated invitations to meals or events).

(d) Engage in any other activity that a reasonable person would expect to impair, or that would appear to impair, the independent judgment of a Board member or senior administrator in the performance of his or her public duties.

V. Annual Disclosure

Each Board member and each Senior Administrator shall complete The University of Alabama System Conflict of Interest Disclosure available on The University of Alabama System website on an annual basis or upon a significant change in circumstance or financial interest.

VI. Independent Auditors

No Board member or senior administrator shall take any action to fraudulently influence, coerce, manipulate, or mislead an auditor engaged in the performance of an audit for the purpose of rendering the financial statements materially misleading.
VII. Campus Responsibility

The campus Presidents shall be responsible for promulgating and publicizing a conflicts of interest policy covering all employees, other than senior administrators, on that campus.

VIII. Public Review Committee

A Public Review Committee, consisting of three members appointed by the Board for three-year terms, may be established, if the Board deems it necessary. The Board may fill vacancies occurring on the Public Review Committee during the three-year term.

Notice and details of potential conflicts of interest involving Board members and senior administrators, which are to be reviewed by the Public Review Committee pursuant to the terms of this rule, shall be submitted to it in writing. It shall advise the Executive Committee of the Board of Trustees of its rulings by letter or other writing.

IX. Effective Date of Rule

This rule shall become effective upon its adoption by The Board of Trustees of The University of Alabama, and, to the extent its requirements exceed existing applicable law, shall not be given retroactive application.

(Adopted November 15, 1984 as Rule 170; amended and renumbered December 5, 1997; amended November 9, 2007; April 13, 2012.)
107. **Adoption, Amendment or Repeal of Board Rules**

Proposals of matters of policy or procedure for the consideration of the Board as Board Rules may be presented in the same manner as other matters for Board action at any meeting. Board Rules may be adopted, amended, or rescinded at any duly organized and called Board meeting by a majority of those attending.

(Adopted November 30, 1977 as Rule 700; renumbered December 5, 1997.)
200 Series

STUDENTS
201. Admission of Students

Policy Statements

I. The Board delegates authority to the Presidents to recommend and administer admission policies.

II. The Board recognizes that the nature of a university system requires considerable decentralization of administration and variation in institutional admission policies. This is because various programs of the System call for different qualifications (requirements) among students and for different measures of performance.

III. The Board recognizes the different criteria for admission at each institution and expects that the institutional policies and procedures will continue to reflect this diversity, provided, however, that they are consistent with policy herein established by the Board.

IV. Institutional admission policies are to be submitted to the Chancellor and the Board for approval. They shall be consistent with the following Board requirements:

A. Admission as institution-specific

Admission is recognized only in the institution where the admission has been granted, not in the System as a whole.

B. Outline of institutional statements on admission

Each institution of the System shall develop formal written policies and procedures for the administration of the Board’s admission policy. These written institutional policies and procedures shall provide for the following:

1. Criteria and procedures for undergraduate students’ admission
2. Criteria and procedures for graduate students’ admission
3. Criteria and procedures for transfer students’ admission
4. Criteria and procedures for out-of-state and international students’ admission

The criteria listed above are necessary to implement the Board’s policy on admission, but shall in no way limit the institutions from promulgating additional policies and procedures relating to admission.

(Adopted December 5, 1997.)
202. Non-resident Tuition Policy

I. Non-resident Tuition Fee

A. All students registering at The University of Alabama, The University of Alabama at Birmingham, or The University of Alabama in Huntsville who do not establish that they are “resident students” shall pay a “non-resident student” tuition, which shall be at least twice that of “resident student” tuition.

B. Classification of students as “non-resident students” or “resident students” shall be made at the time of their initial registration and shall continue unchanged through all subsequent registrations at that institution until satisfactory evidence to the contrary is submitted at the time of any subsequent registration.

II. Definitions

A. Minor

An individual who, because of age, lacks the capacity to contract under Alabama law. Under current law, this means a single individual under nineteen (19) and a married individual under eighteen (18), but excludes an individual whose disabilities of non-age have been removed by a court of competent jurisdiction for a reason other than establishing a legal residence in Alabama.

B. Supporting person

Either or both of the parents of the student (if they are living together) or if they are divorced or living separate, then either the parent having legal custody or, if different, the parent providing the greater amount of financial support of the two. If both parents are deceased or if neither had legal custody, then supporting person shall mean, in the following order: legal custodian of the student, and, if none, the guardian, and, if none, the conservator.

C. Resident

One whose residence is in the State of Alabama. Residence means the single location at which a person resides with the intent of remaining there indefinitely as evidenced by more substantial connections with that place than with any other place. Individuals carrying resident status under this policy shall certify under penalty for perjury that a specific address or location within the State of Alabama is their residence, that they intend to remain there indefinitely, and that they have more substantial connections.
with the State of Alabama than with any other state. Though certification of an address and an intent to remain in the state indefinitely are prerequisites to establishing status as a resident, ultimate determination of that status shall be made by the institution by its evaluation of the presence or absence of connections with the State of Alabama including the following:

1. Payment of Alabama state income taxes as a resident
2. Ownership of a residence or other real property in the state and payment of state ad valorem taxes thereon
3. Full-time employment (not temporary) in the state
4. Residence in the state of a spouse, parents, or children
5. Previous periods of residency in the state continuing for one year or more
6. Voter registration and voting in the state, more significantly, continuing voter registration in the state that initially occurred at least one year prior to the initial registration of the student in Alabama at a public institution of higher education
7. Possession of state or local licenses to do business or practice a profession in the state
8. Ownership of personal property in the state and payment of state taxes thereon (e.g. automobile, boat, etc.) and possession of state license plates
9. Continuous physical presence in the state for a purpose other than attending school and except for temporary absences for travel, military service, temporary employment, etc.
10. Membership in religious, professional, business, civic, or social organizations in the state
11. Maintenance in the state of checking and savings accounts, safe deposit boxes or investment accounts
12. In-state address shown on selective service registration, driver’s license, automobile title registration, hunting and fishing license, insurance policies, stock and bond registrations, last will and testament, annuities, or retirement plans
13. Location within the state of the high school from which the individual graduated

D. Resident Student

One who, at the time of registration:

1. Is not a “minor” and is a resident of the State of Alabama and has been a resident of the state for at least one year immediately preceding the date of registration; or
2. Is a “minor” and whose “supporting person(s)” is a resident of the State of Alabama and has been a resident of the state for at least one year immediately preceding the date of registration.
E. Non-Resident Student

One who, at the time of registration is not a resident student.

III. Authority to Expand the Definition of “Resident Student”

The President of each campus may recommend to the Chancellor for consideration by the Board of Trustees that the term “resident student” may include any one or more of the following categories, at that campus:

A. One who, at the time of registration, is not a “minor” and:

1. Is a full-time employee (not temporary) of the institution at which the student is registering or is the spouse of such an employee;
2. Is able to verify full-time permanent employment within the state of Alabama and shall commence said employment not more than ninety (90) days after registration with the institution, or is the spouse of such an employee;
3. Is employed as a graduate assistant or fellow by the institution at which the student is registering;
4. Is a resident of any county within fifty (50) miles of the campus of the institution at which the student is registering, and had been a resident of that county for at least one year immediately preceding the date of registration. “Resident” shall have the same meaning, as to the relevant county, which it has as to the state of Alabama in the definition section of this policy statement; or
5. Is an out-of-state active duty or retired military veteran who is a resident of any county within ninety (90) miles of the campus of the institution at which the student is registering.

B. One who, at the time of registration, is a “minor” and whose “supporting person(s)”:

1. Is a full-time employee (not temporary) of the institution at which the student is registering;
2. Is able to verify full-time permanent employment within the state of Alabama and shall commence said employment not more than ninety (90) days after registration with the institution; or
3. Is a resident of any county within fifty (50) miles of the campus of the institution at which the student is registering, and has been a resident of that county for at least one year immediately preceding the date of registration. “Resident” shall have the same meaning, as to the relevant county, which it has as to the state of Alabama in the definitions’ section of this policy statement.
IV. Rules for Veterans and Members of the United States Armed Forces

For purposes of admission and tuition, all institutions in The University of Alabama System shall consider that the term “resident student” includes any of the following:

A. One who, at the time of registration, is not a “minor” and satisfies one of the following:

1. Is a member or the spouse of a member of the United States military on fulltime active duty stationed in Alabama under orders other than attending school;
2. Commencing on May 22, 2012, has been a member of the Alabama National Guard for a period of at least two years immediately preceding the student qualifying for resident tuition and continues to be a member of the Alabama National Guard while enrolled at the public institution of higher education; or
3. Is a veteran of the Armed Forces of the United States, provided that the veteran has become a resident of Alabama, and satisfies at least one of the following conditions:
   a. The veteran has served on active duty for a continuous period of time, not less than two years, and has received an honorable discharge as verified by a United States Department of Defense Form 214 within five years of enrolling in an Alabama public institution of higher education;
   b. Is currently serving in a reserve component of the Armed Forces of the United States, as verified by a memorandum from his or her commanding officer; or
   c. The veteran has been assigned a service-connected disability by the United States Department of Veteran Affairs.

B. One who, at the time of registration, is a “minor” and whose “supporting person” is a member of the United States military on a fulltime active duty stationed in Alabama under orders for duties other than attending school.

V. Authority to Implement Policy

A. The Presidents are authorized (and authorized to delegate to admissions officers and others) and directed to implement this policy by appropriate written policies, guidelines, and procedures.

B. Such policy shall provide that classification as a “resident student” shall be based upon the required certificate and other written evidence to be filed in the admissions office and that any decision by an admissions officer may be
appealed by the student to a review committee that shall be constituted, appointed, and operated as provided in such policy.

C. The decision of the review committee may be appealed to the President, or his or her designee, whose action thereon shall be final.

(Adopted as Resolution by Executive Committee on August 21, 1975; amended February 18, 1981, September 22, 1989, May 23, 1997; adopted as Board Rule December 5, 1997; amended November 14, 2008; September 13, 2013.)
203. **Student Discipline**

At institutions in The University of Alabama System, the general authority for the governance of students enrolled at any of the campuses is vested by law in the Board of Trustees. [Alabama Constitution, Article XIV, Section 264, as amended by Amendment 399, and Section 16-47-34, Code of Alabama (1975, as amended).] The Board delegates responsibility for supervision of students to the respective campus Presidents, which the President may then delegate to others.

(Adopted December 5, 1997; amended November 14, 2008.)
204. **Policy on Posthumous Degrees**

It shall be the policy of the Board of Trustees, upon recommendations of the President, to award posthumous degrees for students who have successfully completed a substantial portion of their academic programs with diplomas to specifically indicate a posthumous degree, the language of which would cite the circumstances warranting such award. Such diplomas may be presented at appropriate private ceremonies at the discretion of the President with the appropriate commencement program noting that the degree is posthumous.

(Adopted May 28, 1981 as Rule 610; amended and renumbered December 5, 1997.)
300 Series

PERSONNEL
301. Tenure

I. Policy Statements

A. With regard to tenure, The Board of Trustees delegates to the Chancellor and to the institution Presidents, who in turn delegate to deans, chairpersons, and faculty, all procedural authority.

B. The Board of Trustees expects that the institutional policies and procedures will be consistent with Board policy.

C. Tenure within The University of Alabama System is held by a faculty member only at the institution in which tenure has been awarded, not in the System as a whole.

D. Institutional tenure policies are to be submitted to the Chancellor and the Board for approval.

E. Guidelines and procedures for the development, submission, review, and approval of institutional tenure policies are developed and administered by the System’s Office of Academic and Student Affairs.

II. Guidelines for Tenure

A. Definition

The definition of tenure used in each institutional policy should recognize that tenure is an affirmative commitment by the Board of Trustees to a faculty member, generally offered after a probationary period of employment, of a right to continuing employment except upon dismissal for cause, retirement, resignation, bona fide financial exigency of the institution or division in which tenure is held, or major curtailment or formal discontinuance of a program or department of instruction.

B. Outline of institutional statements on tenure

1. Each institution of the System, through appropriate involvement of the faculty, shall develop formal written policies and procedures for the administration of the Board’s tenure policy. These written institutional policies and procedures shall provide for the following:

   a) Criteria and procedures for faculty appointment, promotion, and the award of tenure

   b) Procedure for non-reappointment of non-tenured faculty
c) Procedure for termination for cause of a tenured faculty member or a faculty member whose term of appointment has not expired

d) Procedure for termination due to a bona fide financial exigency or formal discontinuance of a program or department of instruction

e) Procedure for handling faculty grievances.

2. The above list of procedures, which is necessary to implement the Board’s policy on tenure, shall in no way limit the institutions from promulgating additional policies and procedures related to faculty affairs. However because the authority of the Board of Trustees prevails in matters of termination, discipline and grievances, individual institutional policies in those areas shall not attempt to speak on behalf of the Board.

C. **Tenure for Administrative Officers**

1. Under Board policy, administrative appointments do not carry tenure.

2. The Board recognizes that an individual who holds administrative office may also carry an appropriate academic rank and, thus, have tenure status in the regular faculty. The Board also recognizes that an administrator holding non-tenured academic rank may earn tenure under procedures prescribed for regular faculty members. Therefore, the Board expects that institution recommendations of tenure for executive and senior administrative and professional staff such as presidents, vice presidents, associate and assistant vice presidents, and others as defined in Board Rule 302 shall be reported to the Chancellor for approval by the Board and that such recommendations will be limited to:

   a) Those officials who already hold faculty tenure when moving into administrative positions; and

   b) Those individuals whose faculty tenure is recommended pursuant to the usual review and recommendations set out in each institution faculty handbook, but in all instances providing for a recommendation by the dean, head, and faculty of the unit to which application for tenure was made.
D. Determination of a bona fide financial exigency or formal discontinuance of a program or department of instruction

It is the policy of the Board of Trustees to require the institutions to submit their decisions of “financial exigency” or “program discontinuance” to the Chancellor and the Board for approval.

E. Periodic reporting on institution tenure systems

The Board expects each institution to develop strong personnel policies, consistent with Board policies, and a staffing plan to enable each institution to reach its objectives. The Board expects each institution to keep personnel policies, especially those affecting tenure, under review, make needed revisions, and bring these to the attention of the Board. Periodic reviews of tenure percentages and retirement patterns should be prepared and shared with the Chancellor and the Board. Also, each institution should submit an annual report to the Board of individuals awarded tenure during the preceding year and of academic units more than sixty percent (60%) tenured.

(Adopted November 19, 1980 as Rule 310; amended and renumbered December 5, 1997; amended November 14, 2008.)
Compensation Policy

1. Purpose and Objectives

The compensation policy set forth herein takes into consideration the unique role and scope of the campuses of The University of Alabama System as well as the specialized needs of each major unit.

The Compensation Committee of the Board of Trustees has a role in assisting the Chancellor and Presidents from the outset, as they plan and implement compensation arrangements for individuals in selected specific positions and groups of positions, as defined in section 2 of this Board Rule. This role also relates to the development of extraordinary or unusual employee payment packages, as discussed in section 3 of this Board Rule. The Committee’s early involvement is required in order to insure the integrity of the University’s overall compensation program.

To achieve this objective with respect to the hiring or promotion of individuals who are being considered for positions covered by this Board Rule, whose employment packages are otherwise covered by this Board Rule, or to whom an offer is being considered that would bring the individual within the coverage of this Board Rule, it is the responsibility of the President in consultation with the Chancellor (for campus-based positions), and of the Chancellor (for System-based positions), to advise the Committee prior to setting the expected range and terms intended to be offered and to obtain the Committee’s approval prior to discussing such compensation arrangements with any candidate. Any changes that occur outside that range during the negotiation process must also be approved by the Committee prior to any commitment to the candidate.

Similarly, the Committee must be advised, in advance, of any proposed changes in compensation or other terms of employment for all incumbents covered by this Board Rule. This includes increases and decreases in compensation and any other adjustments in the terms of the employment package.

In all instances covered by this Board Rule, the Committee must be informed of all compensation paid by the University, regardless of source of funds. If individuals whose employment packages are covered by this Board Rule have other “outside” compensation arrangements that are known to the campus or system administrations, the Committee also expects to be advised of such arrangements.

2. Executive Officers

a. The Compensation Committee shall establish the compensation of the Chancellor, which shall bear a proper and reasonable relationship to compensation for such administrators at other similar institutions of higher education.
b. Prior to an initial offer being made, the Chancellor shall recommend to the Compensation Committee, for its approval, modification, or rejection, the compensation of the Presidents, Vice Chancellors, Board Officers, Provosts, Vice Presidents, and other such senior academic and administrative staff as the Committee shall designate. Such compensation shall bear a proper and reasonable relationship to compensation for such administrators at other similar institutions of higher education. No offer of compensation covered by this paragraph 2.b. shall be effective and binding on the University without approval of the Compensation Committee. After the initial offer has been approved by the Compensation Committee, reporting of compensation benefits will be reported to the full Board of Trustees in the institution’s budgets.

3. Extraordinary Salary and Payment Arrangements for University Employees

a. Concerning any individuals not named in 302.2.b., the Presidents shall submit to the Chancellor full information on any proposed salaries, incentives, and payments, paid through the University from any source whatsoever, (which include any extraordinary benefits but not those benefits available to all regular faculty and staff) for any employee or candidate for employment on their respective campuses, other than those positions specified in paragraph 2.b. above, which shall exceed seventy-five percent (75%) of that President’s current annual state salary, prior to the salary, incentives, and payment being offered or made effective. This information shall be submitted prior to each and any proposed material change in the employee’s salary, incentives, or payments. The information shall reflect the academic year salary, incentives, and payments for faculty members with nine-month appointments and the annual salary, incentives, and payments for all others. For example, if the President’s annual state salary is $200,000, he or she shall submit information on any proposal to pay an employee on that campus a package of salary, incentives, and payments (including extraordinary benefits but not those benefits available to all regular faculty and staff) valued in excess of $150,000. The information shall include appropriate documentation.

b. Concerning any individuals not named in 302.2.b., the Presidents shall submit to the Chancellor full information, with appropriate documentation and justification, on any unusual employee payment packages, including any hiring or renewal packages containing any multi-year continuing employment contracts, prior to their being offered or made effective. Bonuses for past performance shall not be proposed, although incentives for reaching pre-established goals are permissible. Proposed incentives do not have to be submitted to the Chancellor unless they will cause the employee’s total package to meet the criteria described in paragraph 3.a., above.
c. In all of the above instances, not including individuals covered in 302.2.b., after reviewing the materials submitted, the Chancellor shall forward the information, justification and documentation to the Compensation Committee of the Board of Trustees for its review and modification or approval. In reviewing such agreements, the Compensation Committee will consider whether they properly balance the interests of the University and those of the individuals to whom the payment packages and contracts are to be offered. No contract subject to the review discussed in this paragraph 3 shall be effective and binding on the University without approval of the Compensation Committee.

4. **Salary Ranges**

The Presidents shall develop salary ranges for their respective campuses based on a review of internal and external data or through the use of consultants. The structure of the salary ranges, together with reporting requirements, are more fully set forth below.

a. **Faculty**

   The Presidents shall annually report to the Chancellor faculty salary ranges by faculty rank, broad discipline category and campus. All exceptions to these ranges shall be reported to the Chancellor.

   In arriving at faculty salary ranges, the Presidents shall give due consideration to faculty salary data developed by various groups in higher education. Some of the surveys and studies used and cited frequently are those of the Southern Universities Group, the American Association of University Professors, the Southern Regional Education Board, and the Higher Education General Information Survey. This list is not intended to be exhaustive but rather serves as an example of information that would be used to review the relationship of the salary policy on each campus to other similar institutions and groups.

b. **Academic Deans**

   The Presidents shall annually report to the Chancellor salary ranges for the academic deans. In comparing these ranges to the general practices of higher education, such studies as those published annually by the College and University Personnel Association or other appropriate studies which may be developed, shall be used. Exceptions to ranges shall be reported to the Chancellor.
c. **Administrative and Professional Staff**

The Presidents shall annually report to the Chancellor salary ranges indicating a minimum and maximum for each position authorized. In comparing these ranges to the general practices of higher education, such studies as those published annually by the College and University Personnel Association or other appropriate studies which may be developed, shall be used. Exceptions to ranges shall be reported to the Chancellor.

d. **Non-Exempt Staff**

The President of each campus shall establish the salary ranges or scales for each job classification included in this group and shall submit a report of these ranges or scales to the Chancellor. Salary ranges for these positions shall give due consideration to local and/or regional job market information.

5. The Chancellor and the Compensation Committee will periodically review the fringe benefit policies and other aspects of the University compensation program as they may elect.

303. Compliance With Drug-Free Workplace Requirements

The Board of Trustees of The University of Alabama charges the Chancellor to authorize and direct the Presidents of each campus to enact policies and procedures to ensure that each campus will not fail to meet the requirements recited in the Drug-Free Workplace Act of 1988 for recipients of federal grants and federal contracts involving $25,000 or more. Such policies and procedures shall comply with the following guidelines.

A. Each campus shall publish a written Policy Statement on a Drug-Free Workplace, which shall include the following information:

1. It is forbidden to manufacture, distribute, dispense, possess or use any controlled substance unlawfully in the University workplace.

2. Specified sanctions shall be imposed for violation of this policy.

3. Any person employed by the University in connection with any federal grant or a federal contract involving $25,000 or more, or, at the option of each campus, all University employees, must consent, as a condition of employment:

   a. to abide by the University's Drug-Free Workplace Policy;

   b. to notify the University within five (5) days of his or her conviction under any criminal drug statute for a violation occurring in the University workplace.

The Policy Statement shall be distributed to all persons who are employed by the University in connection with any federal grant or a federal contract involving $25,000 or more, or, at the option of each campus, to all University employees.

A suggested format for the Policy Statement is attached hereto as Attachment A.

B. Each campus shall develop and present employee drug-free awareness programs covering:

1. Dangers of drug abuse in the workplace;

2. The University's drug-free workplace policy;

3. The availability of counseling and rehabilitation programs for individuals with drug-related problems;

4. The penalties that will be imposed on employees who violate the University's drug-free policy.
C. Each campus shall require, as a condition of employment in connection with the performance of any federal grant or a federal contract involving $25,000 or more, or, at the option of each campus, as a condition of employment by the University that employees consent in writing:

1. To abide by the terms of the Policy Statement provided to them;

2. To provide notice to the University within five (5) days of their conviction under any criminal drug statute for a violation occurring in the University workplace.

D. Each campus shall designate a University office responsible for receiving information on the conviction, under any criminal drug statute, of any person employed by the University in connection with any federal grant or a federal contract involving $25,000 or more, where the conviction involves a violation occurring in the University workplace.

Each campus shall develop procedures for conveying to this designated Office any such information received by anyone in the University.

Each campus shall develop procedures under which this designated Office shall:

1. Notify the contracting or granting agency of any such conviction, within 10 days of receipt of the information by the University;

2. Ensure that, within 30 days of receipt of the information by the University, appropriate personnel action has been taken against the employee, up to and including termination, or the employee has been required to participate in a drug abuse rehabilitation program.

E. Each campus shall submit to the Chancellor for approval, not later than March 4, 1989, a proposed set of policies and procedures developed in compliance with this Board Rule.

Any subsequent modifications or amendments made to the drug-free workplace policies and procedures of any campus shall be submitted to the Chancellor for approval prior to their adoption.

(Adopted February 10, 1989 as Rule 315; revised May 5, 1989; renumbered December 5, 1997.)
SAMPLE UNIVERSITY POLICY STATEMENT

The Drug-Free Workplace Act of 1988 requires The University of Alabama to provide the following statement of the University's Drug-Free Workplace Policy to all persons employed by the University [in connection with any federal grant or a federal contract involving $25,000 or more].

1. It is forbidden to manufacture, distribute, dispense, possess or use any controlled substance unlawfully in the University workplace.

2. The following sanctions shall be imposed for violation of this policy:

__________________________________________________________________
__________________________________________________________________
__________________________________________________________________

3. Any person employed by the University [in connection with any federal grant or a federal contract involving $25,000 or more] must consent, as a condition of employment:

a. To abide by the University's Drug-Free Workplace Policy;

b. To notify the University within 5 days of his or her conviction under any criminal drug statute for a violation occurring in the University workplace.
304. Political Activities of University Personnel

1. Application of Rule

This rule and any guidelines which may be promulgated hereunder apply to all administrative officers, faculty, staff or other employees of The University of Alabama System.

2. Policy

The Board hereby reaffirms its historic position that the University shall neither endorse nor support any candidate for nomination or election to any public office of the State of Alabama or any other political entity. Employees of the University do not surrender their civil and political rights and responsibilities, however, by virtue of their employment. Indeed, the Board of Trustees encourages the officials and employees of the University to fulfill their civic responsibilities as private citizens. However, the Board shall continue to require that, consistent with state law, no University employee shall use or permit to be used University resources, time, or property for or on behalf of any political candidate, campaign, or organization or for any contribution or solicitation of any contribution to a political campaign or organization; nor shall any University employee lend or appear to lend the support of the University in connection with any contribution or solicitation of any contribution to a political campaign or organization. (Nothing in this rule, however, is intended to discourage the impartial use of University facilities as a public forum.)

The Board recognizes that it is often difficult for the public to distinguish between the public and private activities of University employees, particularly when those employees occupy senior administrative positions within the institution. For that reason and because the University is a public institution, the Board wishes to guard against those actions that are illegal and improper as well as those that may create the appearance of impropriety. It is incumbent upon employees of the University to make clear in any political activity whatsoever that they are acting in a private and individual capacity and that their activities have neither University sponsorship nor support. It is also incumbent upon employees of the University to avoid any private actions of a collective nature that may lend or appear to lend the support of the University to political activity. Because of their prominent identification with the institution, the major administrative officers of the University have a particularly heavy obligation to insure that their activities are not misinterpreted or misunderstood.

No University employee may seek or hold public office and remain in the employ of the University if such activities could or would result in a conflict of interest or interfere with the employee's carrying out his University responsibilities. University employees who intend to seek election to public office must first obtain
written consent from the Chancellor through appropriate reporting channels. In cases where the workload of the employee is the primary concern, Leaves of Absence during periods of running for office or serving in public office may be considered.

3. Report to the Chancellor

If there exists a reasonable question whether a potential activity of a University employee is consistent with the policy of the Board on political activities of University personnel, the employee shall report the proposed activity to the Chancellor for approval through appropriate channels.

(Adopted August 23, 1978 as Rule 320; renumbered December 5, 1997.)
305. **Service as Bank Directors by University Officers**

For the purpose of maintaining Board practice and policy of preventing even the appearance of conflicts of interest, no System or campus chief financial officer or administrator whose position includes responsibility for decisions on the nature or extent of banking relations and transactions shall accept appointment or election as a director of a bank or savings and loan association.

No other campus administrator shall accept such an appointment or election until the President has made a determination that the administrator’s position is not one that includes responsibility for decisions on the nature or extent of banking relations and transactions. Such determination as to system administrators shall be made by the Chancellor.

Nothing herein, however, shall prevent the Chancellor or any campus President from accepting appointment or election as director of multi-bank holding companies; provided, however, that a President shall inform the Chancellor of such an appointment or election and the Chancellor shall inform The Board of Trustees of such an appointment or election; and provided further that no Chancellor or President shall take part in any decision involving the nature or extent of the University’s banking relationships or transactions with any multi-bank holding company on whose board he or she shall be serving.

(Adopted January 21, 1981 as Rule 330; amended April 18, 1997; renumbered December 5, 1997.)
306. **Publication of Faculty, Personnel, or Other Handbooks or Manuals**

1. For the information, guidance, and convenience of the faculty, other employees, or other interested parties, the President of each institution may compile, publish, and distribute faculty, personnel, or other handbooks or manuals (herein called handbooks). These handbooks should serve as guides to the organization and operation of the University and may contain statements of University policy.

2. To the extent that the handbooks serve as a statement of University policy, they must accurately reflect the current and official organic law of the System and contain the following statement:

   “Although this handbook intends to reflect currently any policies or rules of The Board of Trustees of The University of Alabama referred to or incorporated herein, users are cautioned that changes or additions to such policies or rules may have become effective since the publication of this material. In the event of such a conflict, the current statements of Board policy contained in the official minutes and manual of rules, bylaws, and guidelines shall prevail.”

3. It is recognized that the provisions of the handbooks may differ among the institutions in order to reflect appropriate and legitimate differences in organization and mission. However, consistency should be sought to the extent that such is practicable.

4. Because the handbooks may recite University or Board policy, they must be presented to the Chancellor for review and approval before implementation.
   
   a. Draft documents shall be presented to the Chancellor for preliminary review.
   
   b. In the request for approval, the institution must give specific assurance that the proposal is not inconsistent with Board Rules or Board policy.
   
   c. Upon approval of the handbook, the Chancellor notifies the Board of Trustees.

(Adopted July 16, 1980 as Rule 151; amended September 16, 1981; amended and renumbered December 5, 1997.)
307. **Board Recognition of Faculty and Staff**

The Board desires to continue its policy of recognition of outstanding accomplishments or long periods of service by members of the faculty or staff, by the adoption and implementation of the following forms of recognition:

1. Upon death or retirement of any Dean, administrative official, or tenured faculty member, each of whom has served at least 10 years in The University of Alabama System, or of any other employee rendering exceptional service, a formal resolution of recognition and appreciation containing the individual's biographical information and accomplishments shall be presented to the Board for its consideration, with the recommendation of the applicable President and Chancellor.

2. Each campus shall promptly report the death of any employee not recognized in Section One to the Secretary, whereupon the Secretary shall forward an appropriate message of condolence to the employee's family on behalf of the Board. Each campus will also forward annually to the Secretary a consolidated report of all deceased employees for recording in the minutes of the annual meeting of the Board.

3. Upon notice of retirement of any employee who is not recognized in Section One and who has served at least 10 years in The University of Alabama System, the Board on recommendation of the applicable President and Chancellor may award to the employee a certificate of citation, in form set forth in Attachment A. Presentation of the certificate shall be made by or on direction of the applicable President or Chancellor. Each campus shall prepare and submit to the Secretary an annual report of all retiring employees, which report shall be recorded in the minutes of the annual meeting of the Board.

4. In addition, upon recommendation of the applicable President and the Chancellor, the Board may recognize by appropriate resolution, either on termination of employment or at any other time, outstanding accomplishments by any members of the faculty or staff in teaching, research, or service.

(Adopted February 1, 1978 as Rule 380; renumbered December 5, 1997.)
Attachment A to Board Rule 307

The University of Alabama

With grateful appreciation for Commitment to Service

at The University of Alabama

EMPLOYEE NAME

is presented this award recognizing ?? years of service

Service Date – (Month. Day, Year)

Asst. Vice President for Human Resources

Vice President for Financial Affairs and Treasurer

86
308. **Housing and Moving Expenses of a Chancellor or President**

The Chancellor and any President may be required, as a condition of employment, to live in a residence owned by the University (an “official residence”). Where such a provision is not included as a requirement of employment, the University may agree, by contract, to provide the Chancellor or President with a housing allowance.

I. **Payment of Costs for Moving In and Out of Official Residence**

When, as a condition of employment, any Chancellor or President is required to live in an official residence, the University may agree to pay all or a portion of the reasonable cost of moving the personal belongings of the Chancellor or President and his or her family into the official residence or into storage (or both).

Upon the retirement, resignation, or termination of a Chancellor or President, the Chancellor or President and his or her family shall move out of the official residence. In the event of the death or disability of the Chancellor or President, the provisions of Section II, below, shall apply. If a Chancellor or President living in an official residence dies or becomes disabled to the extent that he or she can no longer fulfill the requirements of that office in the judgment of the Board, or if a Chancellor or President living in an official residence should retire or resign with the approval of the Board, then the University may agree to pay all or a portion of the reasonable cost of moving the personal belongings of the Chancellor/President and his or her family out of the residence and into another residence in the local community. The University will not pay any costs of moving the personal belongings of a Chancellor/President to another community nor will the University normally agree to pay any such cost if the Chancellor/President is resigning or retiring in order to take a position with another employer.

For purposes of this policy, the term “personal belongings” shall include all household goods, appliances, furniture, furnishings, clothing, wearing apparel, personal effects, silverware, china, glassware, works of art, and all other items normally used in or in connection with a personal residence. The term “reasonable costs of moving” shall include the cost of packing the personal belongings at the former location and unpacking them at the new location. The University will not assume any responsibility for the loss, damage, or destruction of any personal belongings involved in such moves. Arrangements for any moves that will be paid, in whole or in part, by the University will normally be arranged through the business office providing financial services to the Chancellor/President.

Agreements to pay any moving costs under this policy may be set out in the employment contracts of the Chancellor/President or may be reached at any time prior to the termination of services by the Chancellor/President. Except where clearly stated herein, any approval or agreement required herein involving the
Chancellor must be approved by the Board of Trustees or its designee, and in the case of a President, it must be approved by the Chancellor.

II. Continued Housing for Family of Deceased or Disabled Chancellor or President

In the event of the death of an incumbent Chancellor or President who had been living with his or her spouse and/or family in an official residence, the spouse and family of the deceased Chancellor or President shall have up to four months in which to relocate. If the Chancellor or President had been receiving a housing allowance, rather than housing in an official residence, said allowance shall continue for the spouse and family for up to four months.

In the event that an incumbent Chancellor or President living in an official residence shall become disabled to the extent that, in the judgment of the Board, he or she can no longer fulfill the requirements of the office, the Chancellor/President and his or her family shall have up to four months in which to relocate. If the Chancellor/President had been receiving a housing allowance, rather than housing in an official residence, said allowance may continue for up to four months after it is decided that the Chancellor/President can no longer fulfill the requirements of his or her position.

(Adopted December 4, 1998.)
A. This policy applies to Chancellors and Presidents:

(1) who have academic tenure in a department or division of the University,

(2) who will be vacating the Office of Chancellor or President,

(3) who are not being terminated by the Board as Chancellor or President for any reason (i.e., who are voluntarily resigning or retiring from the position with the consent of the Board), and

(4) who have served five years or more as Chancellor or President in a manner the Board finds to be exceptional or otherwise meritorious.

B. Individuals who meet the criteria described in (1) and (2) above, but not in (3) and/or (4), shall, at their request, be transferred to the department or division in which they hold tenure and shall be entitled to compensation and benefits comparable to tenured faculty members in that department at the full professor level.

C. Individuals who meet all the criteria above (1-4) may, at the discretion of the Board, receive the following compensation and benefits:

(1) A one-year (12-month) sabbatical leave with full pay would be given to provide time to prepare for a return to the faculty. The sabbatical would include full pay from University and foundation sources at the compensation level last received as President or Chancellor, as well as continuation of other perquisites except university-provided housing and use of the President’s or Chancellor’s office space.

(2) Upon completion of the sabbatical year, the individual would return to the active faculty. The individual’s salary would be equal to that of the highest-paid faculty member in the individual’s department, and benefits would be comparable to those of all other faculty. No other perquisites (such as cars, clubs, etc.) or salary supplements would be provided.

D. Notwithstanding anything in this Board Rule, the contract provisions applicable to the incumbent Chancellor and Presidents holding those positions as of the date of first adoption of this Board Rule shall take precedence over these guidelines.

(Adopted December 4, 1998.)
310. **Employment of or Contracting with Individuals who are Receiving Retirement Benefits from the Alabama Teachers’ Retirement System**

1. The University shall not hire, employ, contract with, compensate, or pay any individuals who are receiving retirement benefits from the Alabama Teachers’ Retirement System (TRS).

2. The University shall not contract with or provide funds or consideration of any kind to a business or other entity of any kind that employs, contracts with, compensates, or pays in any way an individual who is receiving retirement benefits from the TRS unless:

   (a) either (i) the contract or arrangement was awarded through an open and competitive bid process; or (ii) the individual receiving TRS retirement benefits has no responsibility to provide and, in fact, does not provide any of the services or other benefits to the University covered under that contract or other arrangement; and

   (b) the individual receiving TRS retirement benefits has no role, function, or responsibility in the promotion, negotiation, creation, or execution of the contract or other arrangement between the University and that business or other entity.

3. The above prohibitions shall not apply in relation to individuals who are receiving TRS benefits if:

   a. the compensation or other amounts paid to them (i) by the University for their employment or under their contract or other arrangement with the University, or (ii) by a business or other entity under a contract or other arrangement with the University, will not exceed the amount specified in Section 16-25-26, Code of Alabama 2001 as adjusted from year to year as provided in that section; or

   b. they terminate their TRS retirement benefits (i) during the time of their reemployment, contract, or other arrangement with the University or (ii) while they are receiving compensation or other amounts from a business or other entity under a contract or other arrangement with the University.

4. The above prohibitions shall not apply to any individual who is participating in or seeking to apply for participation in the DROP program of the TRS and shall not limit or impede in any manner the participation in that program by any individual who desires to apply for that program.

(Adopted June 6, 2002.)
311. **Previous Service With External Auditors**

For the purpose of preventing even the appearance of any undue influence on the University’s external audits, the University shall not hire into the position of Chancellor, President, Vice Chancellor for Financial Affairs, Vice President for Financial Affairs, General Auditor, Chief Accounting Officer, Controller, or any equivalent position, any individual who was engaged in conducting an external audit of the University during the previous annual audit cycle, which would include the previous fiscal year and the period of reporting by the audit firm on that fiscal year to the Board of Trustees.

(Adopted November 9, 2007.)
400 Series

FINANCIAL AFFAIRS
401. **Finance Committee Operations**

I. **Introduction**

The Bylaws of The Board of Trustees of The University of Alabama (herein called Board), at Article IV, Section 2, provide for a standing committee designated as the Finance Committee (herein called Committee). The Committee's role is primarily advisory to the Chancellor and the Board, unless otherwise provided by the Board. It is expected that the Committee will meet at all regular meetings of the Board, and on other occasions as deemed necessary by the Chancellor or the Board.

II. **Objectives**

The purpose of these operating guidelines is to provide a mechanism through the Office of the Chancellor to assist the Board in its policymaking role and in those business and financial matters requiring Board action on matters in which the Board has expressed a desire to be kept fully informed. The Chancellor shall review information and make recommendations to the Committee in the following areas:

A. Establishment and implementation of financial policies and objectives of the University;

B. Levying of student fees;

C. Review and approval of legislative requests for appropriations, annual budgets, and midyear budget changes;

D. Approval of all loans, borrowing and the issuance of bonds;

E. Approval of long-range fund development plans;

F. Review of long-range financial plans;

G. Review of the financial aspects of new or modified policies at both the campus and System levels;

H. Approval of depositories, custodial arrangements, contractual arrangements and legal commitments of all kinds;

I. Review and approval of annual campus information technology plans. The projects included in the approved plans would not require additional Board approval. Projects not included in the annual plan that exceed $500,000 in individual expenditures or $750,000 in total...
project cost for hardware, software, services or related items must be approved by the Board.

In each of the areas set forth above, the Chancellor, through the Vice Chancellor for Financial Affairs, the principal staff officer in these matters, shall cause the issuance of detailed plans for accomplishing the work of the Chancellor and the Board. Such detailed plans will be approved by the Chancellor and communicated to the Presidents and to the members of the Committee.

Before issuing any such detailed plans, the Chancellor or Vice Chancellor shall consult with and seek the advice and recommendations of the chief financial officers of each of the campuses.

To fulfill the above purposes, the Committee will work with the assistance of the Vice Chancellor for Financial Affairs, as designated herein. The Chancellor wishes to review and present to the Board relevant financial functions indicated under this Section II.

III. Operation of the Committee

A. All financial issues of the Board are presented to the Committee.

B. Chancellor's staff prepares agenda for distribution to the Committee members prior to each meeting.

C. The Committee takes the official action for items requiring action by a Board Committee.

D. The Vice Chancellor for Financial Affairs, or her/his designee, schedules working sessions, as needed, to permit time for full discussion of each item on the agenda.

E. In order for an item to appear on the agenda of the Committee, it should have been reviewed by the Chancellor, the Chair of the Committee or the President pro tempore.

402. Financial Accounting and Reporting

I. General

Financial accounting and reporting shall be consistent with the principles and guidelines set forth in College and University Business Administration, published by the National Association of College and University Business Officers. That publication defines the two standard-setting boards which control college and university accounting and financial reporting practices as the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB).

The University of Alabama System adheres to the standards set by the GASB. The GASB was created by the Financial Accounting Foundation (FAF) in 1984 to establish generally accepted accounting principles for state and local governments and their component units, including government-controlled, not-for-profit organizations such as colleges, universities, and hospitals.

The GASB has developed guidance on accounting issues related to recognition, measurement, and net asset classification of assets, liabilities, revenues, expenses, gains and losses included in the external general-purpose financial statements of public colleges and universities that report as special-purpose governments engaged in only business-type activities. Based on the guidance provided in GASB 34, the campuses and hospital of The University of Alabama System prepare annual financial statements as special-purpose governments engaged in only business-type activities.

The financial reports of The University of Alabama System entities shall be prepared in compliance with the most recent applicable GASB guidance as deemed appropriate by the Chancellor in consultation with the Audit Committee of the Board. Management on each campus shall be responsible for a continuous risk assessment of key financial processes and for maintaining adequate control structure and procedures for financial reporting and other financial disclosures.

II. Campus Annual Financial Reports

Campus annual financial reports to the Board shall include basic financial statements, notes to financial statements, and other supplementary information required by generally accepted accounting principles. The independent auditor's opinion letter shall be included with these reports. These statements, notes, and schedules should generally adhere to the principles and guidelines set forth in the references cited in Section I. Variations intended to accomplish more complete disclosure shall be published separately by the Chancellor.
III. Other Financial Reports

Other financial reports shall be prepared as required by the Board and the Chancellor.

(Originally adopted November 30, 1977 as Rule 411; completely revised April 9, 1980; amended April 21, 1995; renumbered December 5, 1997; amended November 9, 2007.)
403. **Funding of and Accounting for Expenses of The University of Alabama System Office**

It is the policy of the Board that expenditures for the work of The University of Alabama System Office in support of the Board's responsibilities are an integral part and an extension of campus expenditures and, consequently, should be reflected in the financial accounting of each campus in appropriate AICPA expenditure categories such as institutional support. The budgeted figures to be reflected in the campus accounts will be provided by the Chancellor, acting on behalf of the Board, in sufficient time for the campus operating budgets to reflect anticipated needs. Allocation of expenses shall be made to each campus on the basis determined by the Chancellor to be the most equitable, agreed to by the President pro tempore of the Board, and discussed in advance with the campus Presidents.

(Adopted February 1, 1978 as Rule 412; amended May 13, 1978, and April 21, 1995; amended and renumbered December 5, 1997.)
404. **Investment Policy and Guidelines**

I. **Statement of Purpose**

The purpose of this investment policy statement is to assist The Board of Trustees of The University of Alabama (“Board of Trustees”) in effectively supervising and monitoring the investment activities of The University of Alabama System (“System”) and to provide guidance to investment managers employed to manage assets on its behalf. This statement represents the current investment philosophy consensus of the Board of Trustees and shall be reviewed from time-to-time to ensure that it continues to reflect the appropriate expectations, goals and objectives for the different funds managed by the Board of Trustees.

II. **Definition of Responsibilities**

The Board of Trustees has delegated to the Investment Committee responsibility for recommending investment objectives, broad asset allocation changes, policies and practices to the Board of Trustees. The Investment Committee is responsible for overseeing investment activities and performance; for ensuring the proper control and safekeeping of the investment funds; for making changes within the broad asset allocation guidelines; and for the selection of external money managers, custodians, and such consultants as are necessary to properly manage these funds. (Additional details in Appendix 1)

III. **Reporting**

The System office reports on the investments and performance of the working capital pools monthly to the Investment Committee of the Board of Trustees, the Chancellor, and the campus presidents. Quarterly, the investment consultant will make a presentation to the Investment Committee and show performance relative to benchmarks and peer institutions.

**Investment Policy for Endowment Funds & Non-Reserve Assets**

I. **Investment Objectives**

The purpose of the Endowment is to support the UA System campuses, hospital, related foundations, and their missions over the long-term. Accordingly, the primary investment objectives of the Endowment are to:

A. Preserve the real purchasing power of the principal.
B. Provide a stable source of perpetual financial support to the Endowment’s beneficiaries.

In order to preserve the real purchasing power of the principal and to provide a stable source of income to the beneficiaries of the Endowment, the long-term annualized total rate of return objective for the Endowment will be targeted at inflation as defined by the Consumer Price Index (CPI) plus the Endowment spending rate plus all fees and expenses. To satisfy its long-term rate of return objective, the Endowment relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and from natural income (interest, dividends and rents). Asset allocation guidelines and the investment manager structure should be established to meet the target return while providing adequate diversification in order to minimize the volatility of investment returns.

II. Endowment Spending Policy

The Board of Trustees shall attempt to balance the long-term objective of maintaining the purchasing power of the Endowment with the goal of providing a reasonable, predictable, stable and sustainable level of income to support current objectives. The Board has established a Spending Rate for the Pooled Endowment Fund of 5% of the 36-month moving average of unit market values. The Investment Committee will review the spending rate annually.

In determining whether it is appropriate to make distributions, the System will comply with Section 4 of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the State of Alabama and codified at Code of Alabama, 19-3C-1, et seq.

III. Endowment Asset Allocation (See Appendix 2)

To achieve its investment objectives, the Endowment shall be allocated among a number of asset classes. These asset classes may include: domestic equity, domestic and international fixed income, international equity, real estate, commodities, hedge funds, private equity, and venture capital. The purpose of allocating among asset classes is to ensure the proper level of diversification within the Endowment. Analyses of historical and expected capital market returns show that a substantial weighting in higher returning asset classes consisting of equity and equity-like investments is necessary for the Endowment to achieve its return objective of inflation plus fees plus the spending rate. Other asset classes such as hedge funds and bonds serve to provide additional diversification to the overall portfolio. Illiquid alternative assets also play a role in the asset allocation to the extent that they provide excess returns and diversification to traditional assets.
The Investment Committee shall periodically review asset allocation targets, ranges, investment objectives, policies, and make changes in investment managers to reflect changes in market conditions, as well as changes in asset class valuations or investment manager performance.

IV. Separately Invested Endowments

There are a few endowment funds that are separately invested because the endowments have been funded with gifts that are restricted or non-marketable. To the extent allowed by the Endowment documents, separately managed endowments are to be invested to emulate, as closely as possible, the Pooled Endowment Fund in asset allocation, manager selection, and spending rate (See Appendix 2). Each separately invested Endowment is to be reviewed periodically to determine if it may be included in the Endowment pool.

The Board of Trustees of The University of Alabama must approve the acceptance of new separately managed endowments that either cannot be invested in the Pooled Endowment Fund or have other restrictions on the management of funds. In addition, the Board of Trustees must approve the financial institution where the assets will be held.

V. Derivative Securities

Investment managers may use derivative securities to achieve their investment objectives subject to the limitations below. The primary intent of derivative security transactions in such cases should be to hedge the risk of the portfolio, or to implement investment strategies more efficiently and at a lower cost than would be possible in the cash market. Derivative based strategies should not be used to leverage the portfolio nor should they be used to expose the portfolio to greater risk than would be typical under a strategy utilizing only cash securities. Furthermore, Investment managers must have appropriate control and review procedures in place to evaluate the risks and exposures of the portfolios on a timely basis. These control and review procedures shall include, but not be limited to, compliance with all necessary legal requirements, creating internal review and control systems to review portfolio risk and using third party pricing of illiquid securities where appropriate.

VI. Directed Brokerage Commissions

It is the policy of the Investment Committee of the Board of Trustees to not use direct brokerage commissions to avoid potential conflicts of interest and to assure proper execution. The only exception would be to use a transition manager, as recommended by the investment consultant, to minimize transaction costs when switching investments between two managers or rebalancing the portfolio.
VII. **In-Kind Gift Policy**

A. As a general rule, securities received as gifts will be sold on receipt and the proceeds added to the pooled fund, unless the Endowment documents require separate management, in which case the proceeds will be allocated to the investment managers. In those cases where the Investment Committee decides not to sell securities received as a gift, those securities will not be commingled with the rest of the endowment but will be accounted for separately until sold.

B. Gifts of real estate will be held at the individual campuses as separately managed assets until liquidated. Unless the real estate has strategic long term importance to the campuses or can be managed with existing land, timber, and mineral holdings for investment purposes, it should be liquidated as quickly as practical. Once the real estate is liquidated the funds will be invested in the appropriate System fund.

C. Quarterly, campuses are to provide to System Office a report on all campus managed investments.

D. Each campus will report on non-campus land and natural resources held for investment.

VIII. **Life Income and Annuity Funds Investments**

The Board assigns to campus presidents the responsibility for direct investment and administration of life income and annuity funds. Investments are to be made in accordance with payout agreements determined at the time of initiation, subject to investment criteria for Endowment funds, as described above. With the approval of the Board of Trustees, external investment advisors may be retained to manage certain life income and annuity funds. Upon the death of the respective beneficiaries, the principal becomes available to the University for the purposes described in each individual trust conveyance; investment of such funds will then be determined by applicable funds investment policy.

The Investment Committee shall periodically review the investment of these funds to ensure that the Committee’s investment objectives are being met and shall advise the campus presidents and the Board of their findings.
Investment Policy for System Reserves

I. Investment Objectives

The System Office, with the guidance and advice of the campuses and hospital financial officers, is charged with developing and implementing an investment strategy that is consistent with matching the duration of each campus’s reserves with their projected needs. Because the reserves also serve as collateral for each institution’s debt, care is taken to make sure that investment risk levels are appropriate for the financial condition of each individual campus. It is the responsibility of the System Office to insure that cash is available to meet the liquidity needs of the campuses and the hospital.

Reserves are to be invested in System managed pooled funds except for certain monies, which are not eligible or appropriate for inclusion in these funds, such as Endowment assets, life and annuity trusts, and proceeds from bond issues.

All System reserves are to be managed in one of three pooled funds depending on the time horizon of the reserves – aside from cash held in operating at banks:

A. **Prime Fund** – Long term Reserves (7-10+ years)

The Prime Fund is a long term investment fund that emulates as closely as possible the Pooled Endowment Fund, utilizing the same investment managers, except it does not invest in long-term illiquid investments (10 year lock-up funds). As a consequence, it will have a slightly different asset allocation than the Pooled Endowment Fund (see Appendix 2).

The Investment Committee shall periodically review asset allocation targets, ranges, investment objectives, policies, and make changes in investment managers to reflect changes in market conditions, as well as asset class valuations or investment manager performance.

The Board of Trustees has established a spending rate for the Prime fund (4% of the 36 month moving average of unit market values), which shall be reviewed periodically by the Investment Committee.

B. **Intermediate Fund** – Intermediate Term Reserves (2-6 years)

The Intermediate Fund shall invest primarily in investment grade bonds or bond like investments that are liquid with limited credit risk. The Investment Committee shall periodically review the fund managers and fund duration (see Appendix 2) and make changes as dictated by market conditions as well as manager evaluation.
C. **Short-Term Fund** – Short Term Reserves (0-1 year)

The Short Term Fund shall invest in a large, liquid, and high quality 2-A7 money market fund.

II. **Allocation of Reserves Among Investment Funds** (See Appendix 3)

The allocation of reserves among the Prime Investment, Intermediate and Short-term funds allows for each campus and the hospital to have their own asset allocation. The allocations should take into account each institution’s funding needs, debt ratings, reserve growth/decline projections, and any other special circumstances. In the case of the UA Hospital, peer asset allocation is also considered. The amount held in the short term fund shall be minimized to cover actual cash needs plus any large extraordinary one time anticipated expenditures. The remaining reserves will be invested in the Prime Investment and Intermediate funds. Equity and equity-like exposure will be the determining factor in allocating reserves between the Prime Investment and Intermediate funds. The target equity exposure for each campus and the hospital are set by the Investment Committee with input from the chief investment officer, the investment consultant, and the campus and hospital financial officers. It is the responsibility of the System Office to allocate reserves between the funds for each campus and the hospital according to the targets established by the Investment Committee.


Investment Committee Operations adopted November 19, 1999 as Rule 416.

### Appendix 1

**Allocation of Investment Responsibilities for Investable Funds**

<table>
<thead>
<tr>
<th>Board of Trustees</th>
<th>Investment Committee</th>
<th>Chair of Investment Committee</th>
<th>Vice Chancellor of Financial Affairs *</th>
<th>Chief Investment Officer</th>
<th>Accounting/Compliance Office</th>
<th>Legal Review **</th>
<th>Consultant</th>
<th>Investment Managers</th>
<th>Fund Custodian</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Policy</strong></td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Develops, Recommends, and Implements</td>
<td>Reviews</td>
<td>Advises</td>
<td>Advises</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Hiring/Firing Consultants</strong></td>
<td>Oversees</td>
<td>Selects</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Sets Search Criteria</td>
<td>N/A</td>
<td>Advises</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Hiring/Firing Custodians</strong></td>
<td>Oversees</td>
<td>Selects</td>
<td>Recommends</td>
<td>Candidates</td>
<td>Sets Search Criteria</td>
<td>Reviews Search Results</td>
<td>Advises</td>
<td>Advises</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Strategic Asset Allocation Targets, Ranges</strong></td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Develops, Recommends, and Implements</td>
<td>Reviews</td>
<td>N/A</td>
<td>Advises</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Hiring/Firing</strong></td>
<td>Oversees</td>
<td>Selects</td>
<td>Candidates</td>
<td>Candidates</td>
<td>Sets Search Criteria</td>
<td>Reviews Search Results</td>
<td>Advises</td>
<td>Advises</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Custodians</strong></td>
<td>Oversees</td>
<td>Selects</td>
<td>Candidates</td>
<td>Candidates</td>
<td>Sets Search Criteria</td>
<td>Reviews Search Results</td>
<td>Advises</td>
<td>Advises</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Hiring/Firing</strong></td>
<td>Oversees</td>
<td>Selects</td>
<td>Candidates</td>
<td>Candidates</td>
<td>Sets Search Criteria</td>
<td>Reviews Search Results</td>
<td>Advises</td>
<td>Advises</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Strategic Asset Allocation Targets, Ranges</strong></td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Develops, Recommends, and Implements</td>
<td>Reviews</td>
<td>N/A</td>
<td>Advises</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Asset Allocation</strong></td>
<td>Oversees</td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Develops, Recommends, and Implements</td>
<td>Reviews</td>
<td>N/A</td>
<td>Advises</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Rebalancing</strong></td>
<td>Oversees</td>
<td>Oversees</td>
<td>Oversees</td>
<td>Reviews</td>
<td>Develops, Recommends, and Implements</td>
<td>Reviews</td>
<td>N/A</td>
<td>Monitors and Reports</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Traditional Asset Manager Selection</strong></td>
<td>Oversees</td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Develops, Recommends, and Implements</td>
<td>Reviews</td>
<td>Advises</td>
<td>Develops</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Alternative Asset Manager Selection</strong></td>
<td>Oversees</td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Develops, Recommends, and Implements</td>
<td>Reviews</td>
<td>Advises</td>
<td>Develops</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>External Security Selection</strong></td>
<td>Oversees</td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Develops, Recommends, and Implements</td>
<td>Reviews</td>
<td>Advises</td>
<td>Develops</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Performance Measurement and Evaluation</strong></td>
<td>Oversees</td>
<td>Approves</td>
<td>Recommends</td>
<td>Sets Search Criteria</td>
<td>Reviews and Evaluates</td>
<td>N/A</td>
<td>Monitors, Reports</td>
<td>Monitors</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Daily Administrative Issues (Related to Funds)</strong></td>
<td>Oversees</td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Sets Search Criteria</td>
<td>Reviews and Evaluates</td>
<td>Monitors, Evaluates</td>
<td>N/A</td>
<td>Monitors, Reports</td>
</tr>
<tr>
<td><strong>Security Lending</strong></td>
<td>Oversees</td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Sets Search Criteria</td>
<td>Reviews and Evaluates</td>
<td>Monitors, Evaluates</td>
<td>N/A</td>
<td>Monitors, Reports</td>
</tr>
<tr>
<td><strong>Currency Hedging</strong></td>
<td>Oversees</td>
<td>Approves</td>
<td>Recommends</td>
<td>Recommends</td>
<td>Sets Search Criteria</td>
<td>Reviews and Evaluates</td>
<td>Monitors, Evaluates</td>
<td>N/A</td>
<td>Monitors, Reports</td>
</tr>
<tr>
<td><strong>Manager Watch List</strong></td>
<td>Oversees</td>
<td>Approves</td>
<td>Recommends</td>
<td>Sets Search Criteria</td>
<td>Reviews and Evaluates</td>
<td>Monitors, Evaluates</td>
<td>N/A</td>
<td>Monitors, Reports</td>
<td>Monitors</td>
</tr>
</tbody>
</table>

* Board delegates signing authority to Vice Chancellor for Financial Affairs, through Chancellor

** Legal Review involves issues of jurisdiction and State Law

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109
## APPENDIX 2

### POOLED ENDOWMENT & SIE FUNDS

<table>
<thead>
<tr>
<th>Allocation</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQUITIES</td>
<td>40%</td>
</tr>
<tr>
<td>FIXED INCOME &amp; CASH</td>
<td>17%</td>
</tr>
<tr>
<td>ALTERNATIVES</td>
<td>43%</td>
</tr>
</tbody>
</table>

### PRIME FUND

<table>
<thead>
<tr>
<th>Allocation</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQUITIES</td>
<td>55%</td>
</tr>
<tr>
<td>FIXED INCOME &amp; CASH</td>
<td>20%</td>
</tr>
<tr>
<td>ALTERNATIVES</td>
<td>25%</td>
</tr>
</tbody>
</table>

### INTERMEDIATE FUND

<table>
<thead>
<tr>
<th>Target Duration</th>
<th>+/- 0.5 YEARS</th>
</tr>
</thead>
</table>
### APPENDIX 3

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>TARGET EQUITY EXPOSURE</th>
<th>RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>The University of Alabama</td>
<td>50.0%</td>
<td>32.0-50.0%</td>
</tr>
<tr>
<td>The University of Alabama at Birmingham</td>
<td>50.0%</td>
<td>32.0-50.0%</td>
</tr>
<tr>
<td>The University of Alabama Hospital</td>
<td>50.0%</td>
<td>32.0-50.0%</td>
</tr>
<tr>
<td>The University of Alabama in Huntsville</td>
<td>50.0%</td>
<td>32.0-50.0%</td>
</tr>
</tbody>
</table>
405. **Deposit of University Funds**

All University funds available for deposit, as determined under the policies, objectives, and requirements of Board Rule 404 - Investment Management Policy - (except for imprest funds permitted upon the condition set out below) shall be deposited in a bank or other depositary upon compliance with the following conditions:

I. The Board shall approve, by resolution, in the format set forth in Attachment A, the bank or other depositary as a depository for University funds. Such approval may be withdrawn by the Board at any time and for any reason, and, if it does so, any funds remaining on deposit with that depositary shall be paid immediately to the University. As long as the approval of the Board continues, subsequent or additional approval shall not be necessary upon the opening of any additional accounts in the same depositary by any campus or other division of the University as long as the specific account is approved or authorized by the Board as provided in Section III below.

II. Prior to the Board approval as set out in Section I above, the proposed depositary shall provide evidence of its designation by the Alabama State Treasurer as a qualified public depository under the Security for Alabama Funds Enhancement Act. Because such designation shall apply to all accounts and funds of the University, regardless of source, held by the depositary, only one such offer of evidence shall be required even though subsequent and additional accounts are opened (upon the approval of the Board as required in Section III below); except that, from time to time, as requested by the Board, the depositary may be required to provide evidence of its continuing designation as a qualified public depository.

III. The Board shall approve, by resolution in the format set forth in Attachment A, the specific account, including as a minimum the following:

A. Approval of the opening, designation, purpose, and nature of the account.

B. Designation of and authorization to the individuals who shall have the authority and responsibility for the opening and closing of the account, for making deposits in and withdrawals from the account, and for otherwise supervising and managing the account.

C. Approval of any mechanical or facsimile system for authentication or execution of checks, drafts, or other documents.

D. Approval of any other particular or unique terms or features of the account.

No proposed account shall be approved by the Board unless it has previously approved (or contemporaneously approves) the proposed depositary as a depository under the provisions of Section I of this Rule and unless the proposed depositary
has provided (or contemporaneously provides) the documentation required under Section II of this Rule.

The Chancellor and the Presidents are authorized to establish imprest funds in an amount not to exceed $15,000 per fund, as they shall deem to be necessary or advisable in the operation of their respective organizations. These imprest funds shall be subject to any other restrictions imposed by the Board or state law, provided that such funds shall be exempt from the requirements of this Rule.

The Chancellor and Presidents or their chief financial officers shall be responsible for the enforcement of this Rule for their respective operations.

(Adopted December 1, 1979 as Rule 421; amended April 21, 1995; renumbered December 5, 1997; amended February 15, 2001; September 14, 2012.)
Attachment A to Board Rule 405

APPROVAL OF DEPOSITARY AND AUTHORIZATION TO OPEN AN ACCOUNT -- RESOLUTION

WHEREAS, the (insert the name of the component of the University, such as "Office of the Chancellor") desires to create, maintain, and establish an account of the nature hereinafter described with (insert the name of the proposed depositary such as the "Citizen's Exchange Commercial Bank of the Southeast") for the deposit of certain funds under its control, as hereinafter described; and,

WHEREAS, the proposed depositary has provided evidence of its designation by the Alabama State Treasurer as a qualified public depository under the Security for Alabama Funds Enhancement Act, as required by Board Rule 405; has agreed to provide evidence of its continued designation as a qualified public depository under the Security for Alabama Funds Enhancement Act, upon the request of the Chancellor, or his or her designee; has agreed to serve as a depository for University funds; and has further agreed to the establishment and maintenance of the hereinafter described account for the purposes and upon the terms and conditions hereinafter set out; and,

(If the depositary has previously been approved by the Board or the Executive Committee as a depository for University funds, whether for that component or any other component, then in lieu of the immediately above paragraph, insert the following:)

WHEREAS, the depositary has previously been approved as a depository for University funds by resolution of (insert "The Board of Trustees of The University of Alabama" or "the Executive Committee of The Board of Trustees of The University of Alabama" as appropriate) and, as such approved depository, agrees to and accepts the creation, maintenance, and administration of the hereinafter described account upon the terms and conditions hereinafter specified.

NOW, THEREFORE, BE IT RESOLVED by (insert either "The Board of Trustees of The University of Alabama" hereinafter referred to as the Board or the "Executive Committee of The Board of Trustees of The University of Alabama" as appropriate) that the (insert the name of the depositary) is hereby approved as a depository for the funds of the University in such accounts or account as shall be approved by the Board from time to time by resolution. This approval of the depositary may be withdrawn by the Board at any time and for any reason, and if it does so, any funds remaining on deposit with the depositary shall be paid immediately to the University. Provided however, that as long as the approval of the Board continues, subsequent or additional approval of the depositary shall not be necessary upon the opening of additional accounts by any component of the University as long as the specific account is approved or authorized by the Board by resolution.
(If the depositary has previously been approved by the Board or the Executive Committee as a depository for University funds, then the above paragraph shall be omitted.)

BE IT (FURTHER) RESOLVED that the (insert "The Board of Trustees" or "Executive Committee" as appropriate) does hereby authorize the opening, establishment, maintenance, and administration of the following designated account with the approved depositary for the following purpose and upon the following terms and conditions:

1. (Insert the name or designation of the account and the reason for opening the account and its purpose or nature, if not explained by its purpose.)

2. (Designate the names of those individuals who shall have the authority and responsibility for the account and specifically charge and direct the named individuals with the authority and responsibility for the opening and closing of the account, for making deposits in and withdrawals from the account, and for otherwise supervising and managing the account, to the extent that those authorizations and responsibilities shall be appropriate to the particular kind or nature of account opened.)

3. (Insert authorization for the manner by which checks, drafts, or any other document necessary for the operation and maintenance of the account shall be executed, authenticated, or endorsed, including authorization for any mechanical or facsimile system for accomplishing the same.)

4. (Insert all other terms and conditions by which the account shall be operated and governed, including any particular or unique terms or features of the account established by the component and the approved depositary. If a separate depositary agreement governing the account has been submitted by the approved depositary or the component, it should be attached as an exhibit and its execution authorized by this resolution at this point.)

BE IT FURTHER RESOLVED that the authorization for this account may be withdrawn by the Board at any time and for any reason. Provided, however, that until the approved depositary receives written or oral notice of the termination by the Board of this authorization from any of its members, its Secretary, Chancellor, President of the appropriate campus, or any of the individuals designated above as having the authority and responsibility for the maintenance of said account, then the provisions of this resolution shall remain in full force and effect. However, upon receipt of such notice, any funds remaining on deposit shall be immediately paid to the University.
406. **Authority to Transact Business on Behalf of the Board**

I. **Authority to Effect Transactions Involving University Funds**

Board Rule 405 establishes appropriate processes involved in the deposit of University funds. In addition, the Board must designate by Resolution those university officials who are authorized to effect transactions involving those accounts, i.e., those with the authority to sign checks, initiate wire and automatic funds transfers, or otherwise withdraw funds from any authorized depository on behalf of the Board or any division of the University. These Resolutions should specify that only those persons named in the most current Resolution for each campus can effect a transaction involving University funds of their respective division of The University of Alabama System. Such authority may not be delegated by the persons so authorized to other persons within the institution.

II. **Authority to Contract**

The Board must designate by Resolution those university officials who are authorized to enter into a contractual relationship on behalf of this Board. These Resolutions should specify that only those persons named in the most current resolution for each campus can execute a contract or agreement for their respective division of The University of Alabama System.

III. **Revisions of Authority**

The applicable Resolution for each type of authority on each campus should be revised in its entirety when any change is made, so that the most current resolution listing those persons who have been authorized at each campus of The University of Alabama System can be readily verified by the Secretary to the Board.

(Adopted April 21, 1995 as Rule 422; amended September 15, 1995; amended and renumbered December 5, 1997.)
407. **Auditing Operations**

I. **Introduction**

This Rule provides a mechanism whereby the Board, through its Audit Committee (the “Committee”), may exercise oversight of the internal and external audit functions of The University of Alabama System (System), including all campuses. This Rule describes the purpose, authority, composition, operations, and responsibilities of the Committee.

II. **Committee Purpose**

The purpose of the Audit Committee is to assist the Board of Trustees in fulfilling its oversight responsibilities for financial and operational reporting, risk management, internal control, internal audit and compliance with laws, regulations and the codes of conduct.

III. **Committee Authority**

The Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

A. Recommend, in conjunction with the Chancellor, to the Board the appointment, removal or replacement of the chief audit executive (General Auditor),

B. Recommend the appointment of an independent nationally recognized accounting firm for external financial and other required audits,

C. Resolve disagreements between management and internal or external auditors,

D. Pre-approve all audit and non-audit services provided by the external auditor,

E. Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation, and

F. Meet with company officers, internal auditors, external auditors, outside counsel, or other employees, as necessary.

IV. **Committee Composition**

The Committee will consist of at least three members of The Board of Trustees. At least one member of the Committee will have financial expertise based on knowledge gained through education and/or experience.
V. Committee Operations (Meetings)

The Committee will meet at the call of the Chair of the Audit Committee. All Committee members are expected to attend each meeting. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

The Committee will invite members of management, internal and external auditors, or others to attend meetings and provide pertinent information as necessary. The Committee will hold executive sessions with internal and external auditors as appropriate.

VI. Committee Responsibilities

A. Internal Audit

The Audit Committee will carry out the following responsibilities:

1. Review with management and the General Auditor the charter, policies, standards, plans, activities, staffing, and organizational structure of the Internal Audit activity,

2. Review the effectiveness of the Internal Audit activity, and

3. Recommend for adoption by the Board the policies and standards by which the internal audit functions of the System will be governed.

B. External Audit

The Audit Committee, with the General Auditor serving as liaison between the System and the external auditor, will carry out the following responsibilities:

1. Review the external auditors' proposed audit scope and approach,

2. Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the System, including non-audit services and compensation practices, and discussing the relationships with the auditors,

   a. The external auditing firm is authorized to perform audit and audit related services to the System. “Audit related” is
deemed to be federal audit support, internal control reviews and investigations, implementation of new accounting standards, review of income and other tax matters, internal financial reviews, due diligence procedures related to public debt offerings, and other transactions and audits of affiliated entities or special purpose audits.

b. The external audit firm should not provide the following services: bookkeeping, financial information systems design and implementation, appraisal or valuation services, actuarial services, internal audits, management and human resource services, broker/dealer and investment banking services, and legal services.

3. Review the managing partner rotation (rotation is required every seven years, with a two-year timeout),

4. Review the performance of the external auditors and recommend to the Board the appointment, compensation, and discharge of the auditors,

5. Receive and execute the audit engagement letter from the external auditor,

6. Review with management and the external auditors the results of the audit and ensure that appropriate actions are taken, and

7. Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards including recent developments and reporting practices.

C. State and Federal Audits

The Audit Committee will carry out the following responsibilities:

1. Review the report and findings of the State Examiners of Public Accounts,

2. Maintain an awareness of significant federal audit findings through the General Auditor,
3. Attend exit conferences with the General Auditor, as necessary, and
4. Ensure that appropriate actions are taken as a result of 1-3 above.

408. **Internal Audit Policies and Standards**

I. **Introduction**

This Rule contains the policies and standards by which the Internal Audit functions of The University of Alabama System (System) will be governed.

II. **Mission, Scope, and Nature of Work**

A. The mission of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the System’s operations. Internal Audit helps the System accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

B. The scope and nature of work of the Internal Audit department is to determine whether the System’s risk management, control, and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure:

1. Risks are appropriately identified and managed,
2. Significant financial, managerial, and operating information are accurate, reliable, and timely,
3. Employee’s actions are in compliance with policies, standards, procedures, and applicable laws and regulations,
4. Resources are acquired economically, used efficiently, and adequately protected,
5. Programs, plans, and objectives are achieved,
6. Quality and continuous improvement are fostered in the control processes, and
7. Significant legislative or regulatory issues impacting the System are recognized and addressed properly.

III. **Authority**

The General Auditor and staff of the Internal Audit department are authorized to:

A. Have unrestricted access to all functions, records, property, and personnel,
B. Have full and free access to the Audit Committee,

C. Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives, and

D. Obtain the necessary assistance of personnel in units where they perform audits, as well as other specialized services from within or outside the System.

The General Auditor and staff of the Internal Audit department are not authorized to:

A. Perform any operational duties for the System or its campuses,

B. Initiate or approve accounting transactions external to the Internal Audit department, or

C. Direct the activities of any System or campus employee not employed by the Internal Audit department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the Internal Auditors.

IV. Accountability

The General Auditor shall report administratively to the Chancellor and functionally to the Audit Committee. In the discharge of his/her duties, the General Auditor shall:

A. Report significant issues related to the processes for controlling the activities of the System, including potential improvements to those processes, and

B. Provide information periodically on the status and results of the annual audit plan and the sufficiency of department resources.

V. General Auditor Responsibilities

The General Auditor, or his/her designee, will carry out the following responsibilities:

A. Develop a flexible annual audit plan using appropriate risk-based methodology (including any risks or control concerns identified by management) and submit the plan to the Chancellor and the Audit Committee for review,
B. Implement the annual audit plan as approved, including, and as appropriate, any special tasks or projects requested by management and the Audit Committee,

C. Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications (may use outside sources, as necessary),

D. Establish a quality assurance and continuous improvement program,

E. Create a culture of support and accessibility to campus management; and assist management in meeting objectives by performing consulting services in addition to assurance services,

F. Issue periodic reports to the Audit Committee and management summarizing results of audit activities,

G. Serve as liaison between the System and the external auditor,

H. Assist in the investigation of significant suspected fraudulent activities within the System,

I. Consider the scope of work of external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the System, and

J. Coordinate with other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit), as appropriate.

VI. Campus Management Responsibilities

The President of each campus, or his or her designee, will carry out the following responsibilities:

A. Participate with Internal Audit to formulate the campus audit plan,

B. Meet routinely with Internal Audit to review the status of audit work,

C. Communicate to Internal Audit unanticipated audit needs as they arise,

D. Review with Internal Audit all audit reports and ensure all recommendations are implemented,
E. Provide requested information and assistance to external audit firm and keep General Auditor informed about status of audit requests and issues,

F. Participate with the General Auditor in presenting the audit results to the Audit Committee, when necessary, and

G. Issue an audit charter reinforcing Internal Audit access to personnel, records and other property or information necessary to conduct audits.

VII. Campus Management Acceptance of Risks

When a difference of opinion exists between Internal Audit and management, the General Auditor will exercise the following process until the difference is resolved.

A. The General Auditor and Campus President will meet to discuss the matter,

B. The General Auditor and Campus President will meet with the Chancellor to discuss the matter, or

C. When the General Auditor believes that management has accepted a level of risk that may be unacceptable to the System, the General Auditor will discuss the matter with the Audit Committee.

VIII. Standards of Audit Practice

Internal Audit will operate under standards that the Board has approved. Current standards are the International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors and will disclose areas of noncompliance to the Audit Committee. On occasion, other standards such as the Government Auditing Standards will apply.

Internal auditors will uphold the principles of integrity, objectivity, confidentiality, and competency as defined in The Institute of Internal Auditors Code of Ethics.

(Adopted May 12, 1979 as Rule 431; completely revised April 10, 1992; amended April 21, 1995; amended and renumbered December 5, 1997; amended June 17, 2011 and June 15, 2012.)
409. Legislative Appropriations Requests

The responsibilities of the Chancellor for legislative appropriations requests shall include, but not be limited to, the following:

- Recommending to the Board plans and policies which provide for the effective development, coordination, and justification of the University's legislative appropriations requests.

- Establishing and supervising an orderly legislative appropriations request process that is integrated with such other activities as academic planning and capital planning.

- Publishing guidelines, schedules, and formats which facilitate the implementation of the legislative appropriations request process.

- Coordinating and assisting the campuses with the development of their legislative appropriations requests and the submission of recommended legislative appropriations requests to the Board.

- Monitoring the legislative appropriations request process and informing the Board of the status of the requests.

Details related to the foregoing responsibilities are set forth in the following paragraphs.

I. Schedule for the Preparation, Submission, and Approval of Legislative Appropriations Requests

The Chancellor shall issue annually a schedule for the preparation, submission, and approval of legislative appropriations requests. The schedule shall be prepared in coordination with the campuses, shall be consistent with the schedules of the Alabama Commission on Higher Education (ACHE) and the State Budget Office, and shall reflect prevailing circumstances. The schedule shall be guided by and include those items set forth in Attachment A.

II. Guidelines and Formats

The Chancellor shall annually publish guidelines and formats which enable the campuses to concisely and meaningfully present for approval their legislative appropriations requests. These guidelines and formats shall include the following:
A. Guidelines

Guidelines which include, but are not limited to, the following:

1. An inflationary increment for all non-salary items excluding utilities and debt service.
2. Average salary adjustments, as well as the method for establishing same.
3. Submission of fixed cost increases.

B. Formats

Formats for the submission of significant financial data which reflect the principles, guidelines, and classifications set forth in Board Rule 402 (Financial Accounting and Reporting). These formats, which shall be termed presentation formats, shall include a requirement for narrative as well as financial summary forms. The design of the presentation formats shall be coordinated with the staff of each campus and with appropriate officials at ACHE and in the State Budget Office.

Generally, formats and documentation criteria shall be issued for the following categories:

1. Increases to sustain existing programs and O&M
2. Increases for program enhancements
3. Increases for new programs and new line items
4. Capital outlay request
5. Total legislative request

C. Highlights and Justification

Commentary which highlights and summarizes the legislative appropriations request.

D. Salary Reports

Significant information on salaries as they relate to established goals, proposed salary increases, and fringe benefits.

E. Other

Additional information as necessary to carry out the Board’s and Chancellor's financial responsibilities.
III. Submission of Legislative Appropriations Requests

The campuses shall submit their respective legislative appropriations requests to the Chancellor for review, appropriate revision, and submission to the Board. After approval by the Board, each campus shall submit its legislative requests to appropriate State agencies.

IV. Legislative Relationships

The Board intends to maintain maximum flexibility for each campus, consistent with efficient coordination of the total System legislative effort by the Chancellor. In accordance with Board Bylaws, the Chancellor shall establish procedures for the development and maintenance of external relationships.

(Originally adopted August 23, 1978 as Rule 435; completely revised April 9, 1980; amended April 21, 1995; amended and renumbered December 5, 1997; amended November 9, 2007.)
Attachment A to Board Rule 409

ANNUAL CYCLE FOR THE PREPARATION, SUBMISSION, AND APPROVAL OF LEGISLATIVE APPROPRIATIONS REQUESTS

• Distribution by the Chancellor to the campuses of the calendar for the preparation, submission, and approval of requests.

• Submission from the campuses to the Chancellor of data for the development of salary guidelines.

• Discussions by Chancellor’s Advisory Council, consisting of the campus Presidents, regarding guidelines to govern requests.

• Distribution by the Chancellor to the campuses of the guidelines (including salary guidelines) and the formats to be used in the development of the requests.

• Submission to the Chancellor of all requests including requests for existing programs and O&M new programs, new line items, enhancements to existing programs, and capital outlays.

• Review and approval by the Chancellor of requests, including meetings and discussions with appropriate campus officials.

• Review of major issues by the Chancellor's Advisory Council and/or the Finance and Academic Affairs and Planning Committees of the Board prior to submission of the Chancellor's recommendations to the Board.

• Submission of total requests to Chancellor by campuses and review by Chancellor and staff, including meetings and discussions with appropriate campus officials.

• Submission of Chancellor's recommended campus total requests to the Board.

• Formal presentation of legislative requests to the Board.

• Submission by campuses of legislative requests approved by the Board to ACHE and the State Budget Offices.
410. **Annual Operating Budgets**

The budgetary responsibilities of the Chancellor shall include, but not be limited to, the following:

- Recommending to the Board plans and policies which provide for the effective and efficient use of University resources.
- Establishing and supervising an orderly budgetary process that is integrated with such other activities as academic planning, capital planning, and the legislative appropriations request process.
- Publishing guidelines, schedules, and formats which facilitate the implementation of the established budgetary process.
- Coordinating and assisting the campuses with the development of their proposed operating budgets, including recommendations for tuition and fee increases and salary increase guidelines, and the submission of recommended campus operating budgets to the Board.
- Monitoring the implementation of campus operating budgets, recommending budget changes as necessary, and informing the Board of the status of those budgets.

Details related to the foregoing responsibilities are set forth in the following paragraphs.

I. **Schedule, Guidelines and Formats**

A. **Schedule**

The Chancellor shall issue annually an operating budget schedule, which shall be prepared in coordination with the campuses and which shall reflect prevailing circumstances.

B. **Guidelines and Formats**

The Chancellor shall publish guidelines and formats which enable the campuses to concisely and meaningfully present for approval their annual operating budgets. These guidelines and formats shall include the following:

The format for the submission of significant financial data shall reflect the principles, guidelines, and classifications set forth in Board Rule 402 (Financial Accounting and Reporting).
The guidelines shall address tuition and fee and salary increase recommendations and reflect the information to be included in the presentation materials for the Board.

The guidelines shall also delineate additional information to be provided as necessary to carry out The Board of Trustees’ and Chancellor’s financial responsibilities.

II. Submission and Approval of Annual Operating Budgets

Campus annual operating budget proposals for the next fiscal year shall be submitted to the Chancellor who shall in turn submit recommendations to the Board. These proposals shall be submitted in the format and at the times directed by the Chancellor but no later than the start of the new fiscal year. Operating budget proposals for the next fiscal year shall include comparisons with the approved operating budget for the current year. The Chancellor shall review, summarize, and recommend to the Board the campuses' annual operating budgets.

The campuses shall prepare such periodic status reports as deemed appropriate by the Chancellor.

(Originally adopted August 23, 1978; completely revised April 9, 1980; amended April 21, 1995, amended February 18, 1999; amended November 9, 2007.)
411. **Minimum Standards, Acceptance, and Reporting of Gifts and Use of Gift Revenue**

I. **Application of Rule**

This Rule shall apply to gifts effective during the donor's life and upon the donor's death.

II. **General Gift Policy**

All gifts directed to or intended for The Board of Trustees of The University of Alabama (the "University"), a public corporation and constitutional instrumentality of the State of Alabama, or any of its campuses, programs, or divisions, however named or identified, are the property of the University, subject to control and management by the Board but within the limits of and subject to any restrictions or directions of the donor of the gift, accepted and agreed to by the Board, in accordance with this Rule.

To the extent that a donor or grantor does not otherwise specifically direct or that a contrary intent of the donor does not otherwise readily appear, income and other revenues from gifts or grants to the University, to a campus, or to a program or division of a campus shall be used on behalf of the campus to which the gift was directed or for the campus whose efforts or relationship with the donor generated or promoted the gift. The income from the corpus of the 1884 Federal Land Grant endowment has been and is currently designated for use by the campus of The University of Alabama, Tuscaloosa.

Each campus, in its annual budget development and presentations to the Chancellor, shall identify the manner in which revenue generated from these funding sources, not otherwise restricted, shall be used. It is the policy of the Board that, to the extent possible, these gift and coal lands resources be used for programs designed to establish and maintain the University's regional and national reputation.

III. **Minimum Standards**

A. Minimum standards for named gifts to The Board of Trustees of The University of Alabama for its campuses, divisions, or programs, including the summation of gifts and state matching funds, are established by the Board. Individual campuses, through their Presidents, may adopt higher minimums (but not lower minimums) for each category of named gift to be used on that campus. The minimum gift amounts set by the Board are as follows:
1. Endowed Research Chair $1,000,000
2. Endowed Academic Chair 1,000,000
3. Endowed Professorship 100,000
4. Endowed Research Fund 100,000
5. Endowed Fellowship 50,000
6. Endowed Loan Fund 20,000
7. Endowed Scholarship or Support Fund 10,000
8. Building or Part of Building proposed to be Named for Donor or Donor’s Designee Fifty-one percent (51%) of cost of building or part of building, not including land, equipment or furnishings. The matter of naming buildings for individuals will be decided in all cases by the Board.
9. Academic Program proposed to be Named for Donor The greater of $5 million or an endowment in an amount that would generate 20% of the school, college, or division’s current annual operating cost. In all cases, only the Board has the authority to name programs, buildings, property, or part thereof for individuals.

B. The Board shall biennially review minimum standards for gifts to consider whether adjustments are needed in order to assure adequate income for designated uses.

C. In special cases where contributions for a named gift are less than the required minimum or where the minimum amount is to be paid in multiple payments, some of which are to be made subsequent to acceptance of the gift, the President, the Chancellor, or any Board member may recommend and the Board may accept such gifts as exceptions to the minimum standards, upon such conditions, if any, as the Board may deem appropriate.

D. Only in cases in which it is impractical for a donor to make gifts of endowment which meet the minimum amount will the Board consider, upon recommendation of the Chancellor and the appropriate President, named
gifts supported by pledges of annual or periodic contributions to be expended annually for a designated purpose. Such gifts, if accepted by the Board, shall be designated as "sponsored" gifts (e.g., Sponsored Academic Chair). If such pledges are discontinued or decreased or become inadequate to provide for the designated purpose, the Board shall consider whether the designation should be continued.

IV. Acceptance of Gifts

A. In order to protect the donor and the University, gifts must be accepted either by The Board of Trustees or by its duly authorized personnel as set forth herein.

B. The following categories of gifts must be accepted either by the Board or by the Executive Committee of the Board upon recommendation of the Chancellor and the appropriate President. The Executive Committee shall make such acceptance only when action prior to the next Board meeting is advisable or necessary.

1. Endowed gifts, unless donated pursuant to a fund-raising campaign previously approved by the Board that established an endowment fund. Investment of gifts of endowment must comply with Board Rule 404.

2. Gifts restricted as to use, unless restricted to a program previously approved by the Board, or unless received pursuant to a fund-raising campaign previously approved by the Board that established the restrictions, or unless restricted to a normal campus activity.

3. Gifts restricted as to investments.

4. Gifts of real property or an interest therein.

5. Gifts of undivided interests or future interests.

6. Gift-sales or gifts subject to any encumbrance.

7. Gifts which, because of their unusual nature, either present a potential detriment, financial or otherwise, or a serious question as to whether they are within the role and scope of the campuses.

8. Gifts conditioned on the naming of a program, building, property, or part thereof.

9. All testamentary gifts.
The gifts described in this paragraph B shall be forwarded to the Chancellor for recommendation to the Board or the Executive Committee. If prospective gifts requiring acceptance by the Board appear to contain difficult, unusual, or unique aspects so that ultimate Board acceptance is in question, development officers are encouraged to counsel with the Chancellor and the appropriate President to assure that the objectives of both the prospective donor and the Board will be met.

C. The Chancellor or the Presidents, or their designated representatives, shall have full authority to accept all gifts not described in paragraph B immediately above.

V. Fund-Raising Campaigns

The Board may approve in advance a fund-raising campaign for soliciting endowment funds or restricted funds, or both, and, in the event of prior approval by the Board, gifts as described in paragraph IV.B.1. and 2. to the fund will not require Board acceptance.

Further, any proposal for a fund-raising campaign with a goal of $5 million or more shall be submitted to the Chancellor for recommendation to the Board and approval by the Board prior to initiation of the campaign, and any campaign for less than $5 million but exceeding $50,000 shall be reported to the Chancellor for approval and for the information of the Board. This requirement does not include the annual giving program of the campuses.

VI. Reports to the Board

A. Each campus, on or before the fifteenth day of each month, shall prepare a report of the previous month's gifts and shall submit the report to the Chancellor for presentation to the Board. The report shall include the names of donors of gifts of $5,000 or more, or property with a fair market value of $5,000 or more, and the amount of each gift. The Board requests the campuses to include in the reports the names of donors of gifts of special significance, monetary or otherwise.

B. Each campus shall prepare a quarterly report of all gifts made during the previous quarter to the campus and to the foundations listed below and shall submit the report to the Chancellor for the Board. The report shall conform, insofar as is applicable to the respective campus, to the form attached to this Rule as Attachment A, and insofar as is applicable to the respective foundations, to the form attached to this Rule as Attachment B.
The following foundations have been organized to support the campuses, divisions, and/or programs of The University of Alabama System, and each listed foundation, as well as any similar foundation or fund hereafter created, is requested to provide, through the campus to which it is related, the information necessary for the report:

1. The University of Alabama Alumni Fund
2. University of Alabama Law School Foundation
3. The Capstone Foundation, Inc.
4. Capstone Health Service Foundation
5. The Valley Foundation of The University of Alabama in Huntsville
6. The UAB Educational Foundation
7. University of Alabama Huntsville Foundation

C. In addition to the presentation of the reports listed in subsections A and B of this Rule, the Chancellor may, if he or she deems advisable, consolidate the reports into an annual report for presentation to the Board.

VII. Acknowledgment of Gifts by Board

The Board at its discretion may adopt a resolution expressing appreciation to each donor of $50,000 or more, or to any donor recommended by the Chancellor, the President of a campus, or any member of the Board. All such gifts shall be promptly reported to the Chancellor for inclusion on the agenda of the next Board meeting.

### University Funds Received From Private Sources
#### Quarter Ended ________________

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Attachment B to Board Rule 411

Foundation Funds Received from Private Sources
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| Non-Alumni                      |            |              |       |
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| Foundations                     |            |              |       |
| Others                          |            |              |       |
| Gifts-in-Kind                   |            |              |       |
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| University of Alabama Alumni Fund|            |              |       |
| University of Alabama Law School Fdn|        |              |       |
| The Capstone Foundation, Inc.   |            |              |       |
| Capstone Health Services Foundation|        |              |       |
| The Valley Foundation of The University of Alabama in Huntsville | | | |
| The UAB Educational Foundation  |            |              |       |
| University of Alabama Huntsville Fdn|        |              |       |
| Total                           |            |              |       |
Consolidation of Funds from the 1884 Federal Land Grant and Designation of the Income from a Portion of Those Funds and of the Income from Future Mineral Royalties for Trustee-Sponsored Chairs and Library Support at UA

I. Preamble:

WHEREAS, in 1884 The University of Alabama received a federal land grant of two townships, the proceeds from which, according to the language of the patents, "are first to be applied, as far as may be necessary, to the erection of suitable buildings for said university, and to the restoration of the library and scientific apparatus destroyed by fire, and then to the Endowment of said university, and to no other purpose whatsoever ..;" and

WHEREAS, as of September 30, 1977, there existed in the currently designated Unrestricted Endowment in the Quasi-Endowment Fund the sum of $5,776,682.27 and in the Annuity and Retirement Fund, which was created by the Board from this fund, $3,782,890.15 (including a deficit of $104,203.20 which will be replaced by UA on or before September 30, 1979). In addition the sum of $116,281.15 which represents an unamortized capital loss to be amortized through the year 1981 as authorized by the Board will be added to the principal for a total of $9,675,853.57, which funds have accumulated primarily from income from the sale of coal, clay, and timber from the aforesaid endowment lands; and

WHEREAS, the Annuity and Retirement Fund has been used to support the UA TIAA-CREF retirement program but does not presently generate adequate income for this purpose and this program is supplemented at UA and paid entirely by UAB and UAH from current funds, and this Board deems it advisable to combine the principal of this fund with the aforesaid $6,178,209.39 since the income from these funds is presently applied to current UA operations; and

WHEREAS, the approximately 27,000 acres remaining from this grant contain significant deposits of coal from which substantial royalties can be expected within the next several years; and

WHEREAS, it is fitting that, in a state whose history and wealth have in large measure been shaped by its mineral deposits, income from those mineral royalties should be used for the academic advancement of the University; and

WHEREAS, at the suggestion of Chancellor Volker, Dr. Mathews commissioned a study of the most effective manner in which these funds could be used and has now forwarded a proposed plan to the Chancellor and to the Board for the use of these funds to provide substantial financial assistance for The University of Alabama Library and for the creation of eight academic chairs; and
WHEREAS, the Board concurs in the general purpose outlined in that plan and in the specific provisions of the Chancellor's endorsement thereto (copies of which are attached and made a part hereof).

II. Policy and Procedures

The premises considered, the Board directs the following:

A. That the present Annuity and Retirement Fund be dissolved and the principal balance therein ($3,782,890.15 as of Sept. 30, 1977) be transferred into the present Unrestricted Endowment Fund ($5,776,682.27 as of Sept. 30, 1977) for a combined total of $9,675,573.57 as of Sept. 30, 1977, which, together with the remaining lands from the federal land grant with a book value of $600,000, constitute land and the proceeds therefrom under the 1884 Federal Land Grant to the State of Alabama for The University of Alabama.

B. That the net proceeds from the lease or sale of such lands, to include sale of timber and mineral leases from the remaining lands in the 1884 Federal Land Grant (approximately 27,000 acres) and to include real property exchanged for or purchases out of the proceeds from said lands, shall be paid into the principal of the Unrestricted Endowment Fund with the income from said fund to be annually budgeted by the Board.

C. That in light of the historic origins of the lands upon which mineral royalties are being paid, it is the Board's desire to use a portion of these funds to establish a program of support at UA which shall be dedicated to the academic betterment of the University.

D. That as the initial step in this sustained effort to build upon the academic strength of the Tuscaloosa campus, the Board confirms the action of the Executive Committee on June 13, 1978, in establishing a sponsored research chair of finance and economics in The University of Alabama College of Commerce and Business Administration and in designating the chair the Bidgood Chair of Finance and Economics in honor of Lee Bidgood, who was the first Dean of the College and who also served as Interim President of The University of Alabama, which chair shall be funded as set forth below.

E. That upon recommendation of the President of UA and of the Chancellor there shall be annually appropriated from earnings of the Unrestricted Endowment Fund representing mineral royalties already received:

1. An amount equal to earnings on $750,000 for the support of The University of Alabama Library.
2. An amount equal to earnings on $750,000 for the support of the Bidgood Chair of Finance and Economics in The University of Alabama College of Commerce and Business Administration.

3. An amount equal to the earnings on $563,000 to supplement earnings on the John Sparkman Chair of Law and World Commerce Fund in the principal sum of $187,000 to provide earnings on a total of $750,000 to be used for the support of the John Sparkman Chair of Law and World Commerce effective October 1, 1979. If additional contributions materialize, the allocation of designated coal royalties will be reduced by a like amount.

F. That from mineral royalties received after October 1, 1978, and upon recommendation of the President of UA and the Chancellor and upon approval of the Board, there may be created, at the rate of not more than one per year, seven additional Trustee-sponsored academic or research chairs and additional support equivalent to one chair for The University of Alabama Library through annual appropriations from the earnings of the Unrestricted Endowment Fund as follows:

1. An amount equal to earnings on $750,000 for the support of The University of Alabama Library for a total library support of income on $1.5 million.

2. An amount equal to earnings on $750,000 each for the support of seven Trustee-sponsored academic or research chairs for a total of $5,250,000. (These chairs shall bear the generic title "University Chair" and shall not be named for specific individuals.)

G. That it is the Board's intent that the income from the above described funds shall be used for as long as needed for the purpose outlined above; but that since not every financial exigency nor every changing need can be anticipated, the Board shall periodically review the use to which these funds are being put and may consider and make alternative uses of these and future such funds, if it deems such to be in the best interest of the University.

H. That upon recommendation of the President of The University of Alabama, Tuscaloosa, and of the Chancellor, the Board shall designate the specific chair and its holder or other use to which the funds for a given year are designated.
ATTACHMENT TO BOARD RULE 412

THE UNIVERSITY OF ALABAMA

COAL LEASE REVENUES AS ENDOWMENTS

An Historical Perspective

The destruction of The University of Alabama near the close of the Civil War had devastating and long-term effects on the evolution of the “Seminary of Learning” provided for by act of the Legislature of the State of Alabama in 1820. In the year immediately after the War, the economy of the State, and, hence, the financial health of the University, was so depressed that the University could not reopen until 1871. Throughout the 1870’s the financial status of the University improved very little and this fact led to numerous appeals to Congress that the institution be indemnified for war losses. The appeals went unheeded until 1884 when Congress granted 46,080 acres of public lands in “An Act to Increase the Endowment of the University of Alabama from the public land in said state.” The act stated that the revenue from these lands was to be used to rebuild the University including the restoration of the library and replacement of scientific apparatus destroyed by fire. More precisely, the revenues from these lands were to be used to enhance the academic programs of the University during its rebirth and evolution.

Throughout the University’s history since 1884, the Board of Trustees of the institution’s several presidents have steadfastly adhered to the intent of that original land grant. The record will show that great care was taken by the original land commissioners (Eugene A. Smith, A. C. Hargrove, and J. Burns Moore) to select acreage rich in coal deposits. Further, they cautioned the Board of Trustees to move slowly and carefully in disposing of its new wealth.

It is important to note that revenues from this endowment have helped the University through several periods of financial stress including the years following the Great Depression. Revenues have always been used either directly or indirectly to maintain and upgrade the programs that evolved out of the ashes of April 4, 1865.
It is only fitting and proper that revenues from the same lands granted to the University in 1884 continue to be used to maintain and strengthen many of the same programs that were destroyed 113 years ago.

Purpose

History makes it abundantly clear that the purpose of the University’s “land endowment” is to strengthen the institution’s total academic program. This endowment can be expected to yield maximum benefits when dedicated to specific program areas which have a distinctive history in the institution and which represent sole and unique academic resources for the publics served by the institution. The University of Alabama has several areas which constitute both historical strengths and special program opportunities. These areas could, with timely financial assistance, rise to national prominence. It is for these reasons that the coal royalties generated through leases should be established as endowment funds to support the two purposes set forth below.

Library Endowment

In commenting on the destruction of the library by General Croxton’s men, James B. Sellers in History of The University of Alabama noted that “Professor Andre DeLoffre made a brave attempt to save the library . . . He appealed to the officer in charge of the raiding squad to spare one the finest libraries in the whole South.”

The University of Alabama library is today a fine library and, were it not for its untimely destruction in 1865 and the subsequent financial difficulties attending its rebirth, it might today be the finest library in the “whole South.” Nevertheless, the University library remains the largest library in the State of Alabama with the total number of volumes exceeding 1.2 million. It is the only library in the State holding membership in the Association of Research Libraries. The Association is a selective, professional group of institutions emphasizing research and graduate instruction at the doctoral level and supporting large, comprehensive collections of library materials. The library not only boasts extensive special collections related to Alabama and the Deep South, rare editions, Confederate imprints, and the like, but it also serves
as the regional depository for United States Government publications.

Thus, the library is in a real sense the foundation of the University’s academic program. This fact, coupled with the tremendous inflation rate of library materials dictates that the University should take special steps to assure the continued strength and viability of the library. This objective can be achieved by dedicating to the library in each of two years during the next five-year period the estimated coal royalty corpus of $750,000 per year as a permanent endowment. This corpus would generate an estimated earning of $60,000 per year or a total increment to the materials budget of the library of approximately $120,000 during the five-year period.

**Endowed Chairs**

While the library is the foundation of any educational institution, the faculty must rank as the very heart and lifeblood of a university. The creation of endowed chairs is one of the most effective means of recruiting truly outstanding faculty leadership. In simplest terms, endowed chairs are designed to foster learning in the university community. Although a great deal of learning is derived from the teaching process, it results also from the quest for new knowledge. It follows, then, that the chairholder must be both a master teacher and a leader-mentor who fosters the pursuit of scholarship and intellectual creativity of the highest order.

The University has many disciplines which could be strengthened by the addition of a distinguished chairholder. The several areas selected for high-priority consideration were chosen in a year-long planning process that involved faculty, department heads, and deans.

The specific academic areas to receive first-priority consideration for chairs will be those areas which constitute either unique historical strengths of the University or acute programmatic needs of the public. The priorities listed in the last section are precisely areas of this sort. One of these areas, the library, has already been touched on in terms of its historical importance. It remains a vital force in the academic life of Alabama by leading, for example, all libraries in the State in volume of interlibrary loans. Its special collections constitute another service area receiving heavy demand from

Attachment to Board Rule 412  146  Page 3
all corners of the State. An endowed chair in the important area of geology would not only build on one of the strongest areas of the pre-Civil War University, it would also help to address the needs of an area crucial to the future minerals and energy needs of the State and region. Similarly, law has long been an important professional program in the University and continues as the only state-supported school of law in Alabama.

Source of Funds

It is proposed that these chairs be funded at a level of $750,000 from the coal royalties generated through leases. It is possible that some funds for this purpose can be identified from accumulated royalties. Successful management of the leasing program over the next several years should make it possible to fund the chairs from new monies at the rate of one per year. It is estimated that the $750,000 of corpus would generate earnings at the rate of $60,000 per year, a sum which should be adequate to fund a chair (including associated support items) in most if not all high-priority areas.

Endowment Areas

The following is a list of areas recommended to receive coal royalty income over the next ten years. These will be designated at the rate of one per year in roughly the order listed depending upon the availability of candidates and other factors that may need to be considered.

- **Library.** Two years of endowment support.

- **International Business.** The rapidly expanding level of international business activity in the State of Alabama has created new responsibilities for higher education, especially in terms of service and service-related research.

- **Geology.** This area must be given high-priority consideration in view of the many positive factors involved in our situation: (1) importance and abundance of mineral resources in the State and region; (2) national energy considerations; (3) paucity
of doctoral-level programs in the region; and
(4) healthy demand for graduates.

Law and Public Policy. A chair in this area
Science (and the Bureau of Public
Administration), Social Work (social
policy), and related areas.

Humanities. A chair in the humanities is
vital in order for this area to achieve its
rightful position of influence in
contemporary higher education. This
chair will serve a twofold function: (1) as
the focal point in organizing the humanities
curricula to become a more important
influence in technical and professional
curricula and (2) as a catalyst in the
development of humanities curricula whose
graduates can make important vocational
contributions of their own.

Accounting. Unlike several areas in the
College of Commerce and Business
Administration, this nationally recognized
area does not have a chair. The addition of
such a position could certainly solidify, if
not enhance, its strong position.

Energy. This is an area of increasing
importance. A person with an economics or
energy policy orientation might be
especially desirable. The two afore-
mentioned chairs, coupled with the chair in
Mineral Engineering, would constitute a
core of tremendous strength for the School
of Mines.

Communication. The School of Communication
has made rapid progress and is already gaining
attention on a national scale. The appointment of
a distinguished figure in this area, coupled with
completion of the facilities renovations and a few
additional faculty appointments, would make the
University the leader in the region. Again, the
chair might have an interdisciplinary favor (e.g.,
communication law).
Public Administration, The Bureau of Public Administration, through the Department of Political Science, has long extended valuable service and research-related service to governmental bodies in the State. The expanding complexity of government at all levels places an increasing need for public policy oriented services. This chair would help to meet this need while strengthening the public policy instructional area in the Department of Political Science.

July 3, 1978

Dr. David Mathews
President
The University of Alabama
Box B
University, Alabama 35486

Dear David:

As you know, I have shared the plan for using the University’s coal royalties with the Board and have now had the opportunity to reflect further upon both the general purposes and the details of the plan. I fully support the general purposes of the plan, as does the Board. I recognize that some of the details – the determination of specific fields for the chairs and the particular order in which they will be funded – will be worked out as we proceed year by year.

Upon reflection, I believe that the plan would be strengthened if it were accompanied by the following understandings. Some of these points, I am sure, are implicit but unarticulated in the plan, others are obvious but perhaps should be stated explicitly.

1. The creation of chairs in fields of disciplines which are a major or primary responsibility of another campus within the System (for
example, medicine and nursing at UAB or solar energy at UAH) should be avoided.

2. There should be neither a prohibition nor a disinclination to place more than one chair in a given field, especially in those fields or disciplines which the University (University) has programs unique to the public institutions in the State (such as law), programs that are clearly preeminent, or programs that are closely related to the origin of the funds (the mineral and earth sciences, for example).

3. If portions of these funds can be used to stimulate substantial named gifts from the private sector to accomplish the purposes of the plan, such should be presented to the Chancellor and Board for consideration, keeping in mind the desire of the Trustees to maintain maximum flexibility of the Endowment Fund-Unrestricted in event of financial need.

4. I believe that the faculty of the University will recognize that, because of the unusual rank structure of the University and the likely state of the academic market over the next decade, the opportunity for this campus to move forward could not come at a more propitious time. It is an opportunity that, to my knowledge, is unique among the state universities of this region. For that reason, there should be no limit to our aspiration or effort to attract candidates of extraordinary caliber from throughout the nation – quite literally, some of the nation’s leading scholars in the selected fields. I know that in some fields resources beyond the amounts anticipated here – for laboratory or library resources and for other research-related expenses – may be required to attract top-flight people. Again, I want to offer my services in any way both in the recruitment for these positions and in the identification and cultivation of other sources of income to augment the funds provided under this plan.
If these understandings are acceptable, please let me know.

Sincerely,

s/Joe
Joseph F. Volker

JFV/rtw

Dear Joe:

Thank you for your letter of July 3, which comments on our proposal to the Board for use of the coal royalties.

I find the points you have made to be acceptable extensions of the proposal. As you noted, the points are logical extensions of the document as originally presented. We all appreciate your support of this plan and thank you for your counsel.

Most cordially,

s/David
David Mathews
President

July 6, 1978

DM/gp

(Adopted August 23, 1978 as Rule 441; amended September 22, 1979, and April 21, 1995; renumbered December 5, 1997; correction October 1, 2013.)
413. **Travel Guidelines**

I. **General**

It is the policy of the University to reimburse its employees who travel at the request of the University for reasonable and necessary expenses incurred while traveling on authorized University business. The implementation of this policy is reflected in the spirit of the guidelines set forth below. In this regard, these guidelines are not intended to replace the good judgment of those responsible for their execution. Circumstances and differences in responsibilities may dictate exceptions. In such cases, appropriate action should be characterized by prudence and a responsibility to safeguard public funds.

A. **Authorization**

All travel, whether in or out of State, for which the necessary and actual expenses thereof may be reimbursed, shall be approved by the President or his/her designee.

B. **Necessary and Actual Expenses Reimbursable**

Only actual and necessary expenses of official travel shall be reimbursed. All travel shall be by the most economical route practical and any person traveling by another route, without adequate justification therefor, shall assume any additional expense incurred thereby. Where for the traveler's personal convenience there is interruption of travel or deviation from the direct route, the travel allowance will not exceed that which would have been incurred on uninterrupted travel.

C. **Annual, Sabbatical, or Sick Leave**

1. An employee in official travel status may be granted annual leave. Travel expenses shall not be allowed during the periods of such leave.

2. An employee may be granted travel expenses during a period of sabbatical leave if such expenses are incurred incident to official travel and in the performance of official duties.

3. An employee may be continued in travel status if he or she becomes incapacitated due to illness or injury that qualifies for official sick leave; however, medical expenses that may be incurred shall not be charged to travel expense.
D. **Official Station**

The official station of an employee is the office and/or campus to which an employee is normally assigned. Transportation costs between an individual's domicile and official station shall not be allowed.

E. **Timeliness**

To ensure that the University's travel reimbursement policies continue to qualify as an "Accountable Plan" (as defined by Internal Revenue Service guidelines), all travel expense claims shall normally be filed within sixty (60) days of the date that the expenses were incurred.

II. **Claim Certification**

A diligent effort shall be made by University personnel responsible for certifying claims for reimbursements to ensure that expense accounts submitted are reasonable and accurate and cover only expenses actually incurred by the traveler in the interest of the University.

III. **Transportation**

Responsible personnel shall ensure that all transportation modes and practices are the most economical obtainable under the circumstances of the travel involved, consistent with their programs, practicality, and the best interests of the University.

A. **Accommodations**

Tourist (economy) class accommodations shall be used when traveling by commercial airline. Exceptions shall be clearly documented.

B. **Special Conveyance**

The cost of renting automobiles or other special conveyances may be allowed if public transportation is not available or is impractical to utilize.

C. **Public Transportation**

Travelers shall employ public transportation where possible in intracity travel. Taxi fare may be allowed when more economical ground transportation is unavailable or impracticable.
D. **University-Owned or -Leased Vehicles**

1. University-owned or -leased vehicles and credit cards may be utilized for in-state travel when available. These vehicles should be used for out-of-state travel whenever it is most economical and practical.

2. A University-owned or -leased, passenger-carrying vehicle may be operated by any properly licensed adult employed by or enrolled in the University. The vehicle operator’s licenses of such individuals must be valid and unrestricted (corrective lenses excluded). Where provision of an automobile for business and personal use is part of an executive compensation package, the automobile may be driven by other properly licensed drivers, age 21 or over, who have been so authorized by the appropriate division of The University of Alabama System.

E. **Privately Owned Automobiles**

1. Privately owned automobiles may be authorized for official travel. When the use of a privately owned automobile has been authorized, the employee may claim mileage reimbursement for the most direct and usually-traveled route at the rate per mile authorized by the State. However, reimbursement will be limited to the amount that would be incurred if public conveyance had been used.

2. Mileage shall be allowed from the point of origin to the point of destination plus reasonable local mileage for all official travel by private automobile. There is no provision under State Law which allows one's home to be treated as the point of origin or the point of return. However, when business trips originate or terminate at the employee's home because of convenience to the employee, mileage reimbursement to the employee must be the lesser of: (a) an amount based on the distance between home and destination; and (b) an amount based on the distance between office and destination. This will be applicable when the official travel occurs regardless of time of day (including non-business hours), day of the week (including weekends), or official holidays.

3. Actual parking and toll charges incurred during authorized travel by private automobile may be reimbursed.
IV. Subsistence

A. General Limitations

1. Reimbursement shall not be allowed for meals or lodging provided free of charge to an employee in an official out-of-state travel status.

2. See paragraph I.C.1. & 2. with regard to annual or sick leave.

B. Lodging

Adequate accommodations shall be obtained. When a room is shared with other employees on out-of-state travel status, reimbursement shall be calculated on a pro rata share of the total cost. An employee on out-of-state travel status, if accompanied by someone who is not an employee on travel status, shall be reimbursed at the single room rate.

V. Other Expenses

A. Baggage

Charges for baggage in excess of the weight carried free by common carriers are allowable if such excess is used exclusively for official business. Storage and handling charges may also be allowed on the same conditions.

B. Gratuities

Tips to waiters, taxi drivers, and/or housekeepers are allowable when deemed by administration to be reasonable and necessary. Gratuities claimed as travel expenses should be consistent with levels generally accepted, taking into account geographical location, type of services provided, and any special circumstances.

C. Porterage

Reasonable expense for baggage handling services are allowable for delivery to or from a common carrier and delivery to or from a lodging accommodation.

D. Registration Fees

The payment of registration fees which are required as admittance fees for participation in meetings are allowable. Organizational membership dues, as distinguished from registration fees, shall not be processed for payment as travel.
E. **Telephone and Facsimile**

Expenses for necessary official telephone and facsimile services are allowable. Whenever possible, telephone calls to an activity's central office shall be made direct dial.

F. **Other**

Other miscellaneous expenses including laundry, valet service, and other similar personal expenses are allowable provided that they are incurred incident to official travel and are necessary in the performance of official duties.

VI. **Reimbursement**

University employees shall be reimbursed for authorized travel as follows:

A. **In-State Travel**

The University shall reimburse its employees for in-state meals and lodging on the basis of a daily rate (per diem). The amount of per diem allowable to employees traveling inside the State of Alabama in the service of the University shall be that amount fixed by the Governor pursuant to the appropriate section of the Alabama Code.

There is no provision under State Law which allows one's home to be treated as the point of origin or the point of return for the purposes of calculating per diem reimbursements. However, when business trips originate or terminate at the employee's home because of convenience to the employee, per diem payments to the employee must be the lesser of: (1) the amount based upon the home as the point of origin/return; and (2) the amount based upon the office as the point of origin/return. This will be applicable when the official travel occurs regardless of time of day (including non-business hours), day of the week (including weekends) or official holidays.

Each campus may, if it deems appropriate, establish a scheduled reduction in per diem to apply when the University has otherwise covered the cost of overnight lodging and/or meals.
B. **Out-of-State Travel**

The amount allowable employees traveling outside the State of Alabama in the services of the University shall be the amount of their actual and necessary expenses. Individual campuses may establish maximum amounts for lodging and meals.

C. **Reimbursement from Funds Available Through Outside Contract**

If reimbursement is to be made from funds available through a contract between an outside sponsor and the University and such contract expressly provides a measure of reimbursable travel expense, persons traveling in the service of the University shall be reimbursed in accordance with the terms of the contract but cannot be reimbursed in excess of the amount allowed by State law.

D. **Foreign Travel**

All University-related foreign travel requires written prior approval from the President or his designee. In addition, foreign travel on federally sponsored grants and contracts must have prior approval from the sponsoring agency.

(Adopted May 10, 1980 as Rule 450; amended February 25, 1993, and April 21, 1995; renumbered December 5, 1997.)
414. **Utility Easements**

Upon the prior review by the General Counsel and approval by the Chancellor, or his designee within The University of Alabama System office, any conveyance of rights-of-way or easements in, on, or through any real property of the University for utilities (electricity, electronic services, telephone, gas, water, sewer, or drainage) for ordinary and necessary service to University facilities, programs, or activities may be negotiated, agreed to, made, and executed by the campus officials authorized by the Board to execute contracts. This authorization does not include rights-of-way or easements for roads, streets, sidewalks, or other forms of access to or from or passageway through University property or for utility transmission that does not serve the University.

Any such grant or conveyance shall, if practicable, contain a provision that the interest conveyed or granted shall revert to the University upon its abandonment or non-use.

(Adopted September 23, 1994 as Rule 460; renumbered December 5, 1997; amended April 6, 2007; amended June 19, 2009.)
415. Planning and Management of Facilities and Other Capital Assets

I. Overview

The Board is responsible for the overall planning and management of the physical facilities on campuses of The University of Alabama System. The Board is committed to building, preserving, and enhancing campus physical facilities in order to provide an efficient, functional, and pleasant environment for fulfilling established roles and missions. The Board is further committed to developing campuses that reflect: efficient and effective land use; a thoughtful and sensitive integration of buildings, open space, landscaping, and signage; orderly utility and service networks; and safe and accessible vehicular/pedestrian systems. Finally, the Board is committed to accomplishing these activities in a manner which ensures that public funds are expended in the most cost-effective manner and funds received from these transactions are maximized.

A. Physical Properties Committee Responsibilities

The Committee is responsible for review and recommendations to the Board, actions associated with campus planning, project planning, design and construction and preservation of campus capital assets including, but not limited to:

- Review and approval of Campus Master Plans and associated architectural design standards for each campus
- Methodologies for selecting consulting architects, engineers, construction managers and program managers
- The means and methods of pre-qualifying and selecting general contractors, construction managers, and design-builders to oversee construction on each campus
- Project and construction budget controls and monitoring through the Chancellor’s office
- Review of the required ongoing evaluations by campus officials of architects/engineers, construction managers, and general contractors who are awarded contracts on each campus
- Review of criteria established by the Chancellor for annual funding commitments to reduce deferred maintenance liabilities on each campus
- Management of campus real estate resources

B. Staff Support

The Associate Vice Chancellor for Financial Affairs–Facilities and the Assistant Vice Chancellor for Financial Affairs–Construction Management shall provide staff support in conjunction with the implementation of Board Rule 415.
II. Purpose

The purpose of this Rule is to set forth policies, practices, and associated responsibilities for the planning and management of the System's capital assets. The Rule specifically provides for:

A. Campus master planning
B. Systematic planning for capital projects, purchase/lease of equipment, and real property acquisition/disposition
C. The establishment of an orderly process for the accomplishment of major capital projects
D. The selection and appointment of architects, engineers, construction managers, program managers, and other design and construction entities with primary contractual responsibilities for project delivery (See Board Rule 419 for requirements on selection and engagement of financial advisors, bond counsel, and bond underwriters.)
E. The delegation of responsibility for the management of existing capital assets

III. Capital Asset Planning and Project Development

The primary purpose of facilities planning is to determine and prioritize the resources required to support campus goals and objectives. Effective facilities planning is dependent upon and interacts with academic and financial planning. Within The University of Alabama System, the planning for capital assets shall include the following:

A. Campus Master Plan

A comprehensive Master Plan shall be developed and maintained for each campus. Each Master Plan shall define a system for land acquisition and utilization, building/site densities, architectural design standards, choice of building materials, parking and traffic studies to support pedestrian/vehicular circulation, utility systems, campus services, landscaping, and signage, all consistent with campus long-range goals and project development.

1. Each campus shall have a duly appointed Campus Master Planning Committee with the responsibility for reviewing and recommending approval to the President of all additions and changes to the respective physical facilities of each campus.

2. Campus Master Plans shall be reviewed formally at least every five years and updated as needed on schedules established by the
Chancellor’s office, and they shall be submitted to the Board for review and approval.

3. Amendments to approved Campus Master Plans shall be prepared when significant physical changes are proposed which include new projects, major changes in campus pedestrian and vehicular circulation, proposed changes in architectural design standards, and other changes which will substantially impact the exterior appearance of the campus. These amendments shall be prepared and submitted to the Board for approval.

B. Five-Year Facilities Development Plan

Consistent with the Campus Master Plan, each campus shall prepare annually for presentation at the September Board meeting a Facilities Development Plan projecting, for a minimum five-year time period, space requirements to support campus academic and administrative programs. Information required in this Plan shall include a description of the project, estimated date(s) for development, estimated cost and source of funds, and the priority for each project based on documented academic or facility needs. The format for this report shall be established by the Chancellor’s office. Copies of the Facilities Development Plan shall be presented to the Academic Affairs and Planning Committee and the Physical Properties Committee of the Board for review, comment, and information purposes. This program shall serve as a basis for the Annual Capital Development Plan.

C. Annual Capital Development Plan

A Capital Development Plan shall be prepared by each campus annually and presented to the Board at the September meeting. The Plan shall list all capital projects which meet the criteria established in Section III. E. 1. of this Board Rule and which are anticipated to be submitted to the Board for action or information during the fiscal year which begins October 1. These projects should be presented in the context of the campus’ annual planning and budgeting process, and each campus should outline how these projects relate to and enhance the University’s programs. Additional information should include: a brief description of the project’s scope; preliminary cost estimates for construction/acquisition; projected annual cost for operations and maintenance of the planned space; and anticipated funding sources for the initial capital outlay and the ongoing operating costs, to be reported on forms to be developed by the Associate Vice Chancellor for Financial Affairs-Facilities and the Assistant Vice Chancellor for Financial Affairs-Construction Management. The Annual Capital Development Plan will be accompanied by a long-term capital financing report showing current long-term debt and additional liabilities (long-term debt requirements) for
proposed new projects. A report showing the current status of deferred maintenance and facilities renewal liabilities on campus shall also be presented.

The Annual Capital Development Plan shall be subdivided into project categories including, but not limited to, education and general, real estate, auxiliary, infrastructure, equipment and athletics. The format for this report shall be established by the Chancellor’s office.

The Annual Capital Development Plan shall be submitted concurrently to the Academic Affairs and Planning Committee, the Physical Properties Committee, and the Finance Committee. The Academic Affairs and Planning Committee will review proposed projects to determine if they are consistent with campus mission statements and long-term academic program planning needs, and whether the proposed projects duplicate existing facilities. The Physical Properties Committee will review proposed projects in terms of: general conformance with the Campus Master Plan; review of project scope, campus priority and impact on reducing deferred maintenance/facility renewal liabilities; the appropriateness of proposed construction costs (per building square foot); and projected annual and five-year operations and maintenance costs for the planned space. The Finance Committee will review the long-term debt structure of each campus in conjunction with the proposed Annual Capital Development Plan and determine if the funding proposed for projects in the Annual Capital Development Plan is consistent with prudent financial planning and within the financial capabilities of each campus.

The inclusion of projects in the Annual Capital Development Plan shall constitute a Stage I Submittal to the Board for review and approval.

D. Annual Capital Request to the Legislature

The Annual Capital Request to the Legislature shall be submitted according to the Guidelines issued by the Chancellor for annual appropriations requests to the Legislature.

E. Guidelines for Project Development and Implementation

1. Each capital project that involves the construction, demolition, or renovation of University facilities which has a total estimated cost equal to or greater than $750,000 shall be planned, designed, and constructed in accordance with Attachment A regardless of the funding source. In addition, for auxiliary projects, a business plan shall be prepared in the format outlined in Attachment G. For those capital projects associated with the Hospital, the review process shall include a Business Plan in the format outlined in Attachment F.
All other capital projects shall require business plans in the format outlined in Attachment L.

2. Generally, capital projects with estimated costs of less than $750,000 may be undertaken and associated contracts executed without Board approval. However, all capital projects (regardless of cost) which substantially impact the visual appearance of the campus(es) or that involve historically significant or otherwise notable structures, as determined by the Chancellor or designee, are to be presented to the Board for review and approval.

3. Purchases or leases of individual items of equipment equal to $500,000 or more shall be submitted to the Board for approval in accordance with Attachment C. Related equipment purchases or leases shall not be subdivided into separate actions or purchase orders of less than $500,000 to avoid required Board consideration of such equipment purchases.

4. Equipment purchases or leases included in Capital Construction Projects which have Board approval shall not require separate Board action. Also, purchases or leases of equipment which are funded entirely by grant or contract shall not require Board approval if both of the following criteria are met:
   a. The capital expenditure or value of the leased equipment is less than $1 million; and
   b. At least 75% of the operational cost associated with the equipment will be paid by the grant or contract over the estimated useful life of the asset.

5. All proposed real property acquisitions or dispositions shall be submitted to the Board for approval in accordance with Attachment D.

F. Designation of Agent for Each Campus to Make Determination of Disposition or Lease of Real Property

The Board will approve by resolution for each campus, and for the System Office, an agent who will function as designated in Attachments D and E.
The management of campus facilities includes the administration, operation, maintenance, and repair of existing facilities. Responsibility for these activities is delegated to each campus President.

Campuses will present Annual Reports to the Board on deferred maintenance/facilities renewal liabilities and building operations and maintenance (O&M costs). The Chancellor’s office shall establish thresholds for funding commitments on an annual basis to reduce the level of deferred maintenance/facilities renewal liabilities. These reductions shall be made either through individual project(s) specifically dedicated to the removal of such liabilities, or through inclusion in major renovation projects or in conjunction with proposed building additions.
Attachment A to Board Rule 415

GUIDELINES
FOR PLANNING, DESIGN, AND CONSTRUCTION
OF CAPITAL PROJECTS REQUIRING BOARD APPROVAL
($750,000 OR MORE)

I. Prerequisite

Projects that have been included in an approved Campus Master Plan, Master Plan Amendment, Five-Year Facilities Development Plan or Annual Capital Development Plan have already fulfilled the requirements for a Stage I approval, as described in Step 1 below.

II. Planning of Project, Appointment of Architect/Engineer, and Approval of Budget

1. New projects (those which have not been presented to the Board) shall be presented as Stage I Submittal to the Board prior to the selection of architects/engineers. A pre-planning program statement, a pre-planning budget estimate, and other project information shall be presented on forms to be developed by the Associate Vice Chancellor for Financial Affairs-Facilities and the Assistant Vice Chancellor for Financial Affairs-Construction Management. 

   **This is an action item for the Board.**

2. In certain cases the campus administration may need the services of a design professional (Architect/Engineer [A/E]) to assist in the preparation of a program document along with schematic and/or preliminary plans (leading to a cost estimate) prior to making the decision as to whether to present the project and preliminary budget to the Board for approval. Employment of these professional services by campus administration is permissible without Board approval.

3. Submit proposed Facilities Program information in format established by the Chancellor’s office to the Assistant Vice Chancellor for Financial Affairs–Construction Management for review and approval before initiation of project design.

4. Select the A/E, Construction Manager (CM) or Program Manager (PM) in accordance with Attachment B, “Selection and Approval of Architects and Engineers.” Architect/Engineer Agreements on capital projects involving University facilities that require Board of Trustee approval must be between
the Architect/Engineer and the University regardless of the project’s funding source.

5. Seek formal approval of A/E, Construction Manager (CM) or Program Manager (PM) from Board. Provide preliminary budget and sources of funding. (Stage II Submittal)

This is an action item for the Board.

6. Prepare and execute A/E agreement and CM/PM Agreements. All A/E agreements and construction contracts shall be prepared in accordance with established professional standards such as the American Institute of Architects, the Alabama Building Commission, or other generally recognized construction standards. Any standards used should recognize the tax-exempt status of the Board and the ultimate authority of the Board.

7. In collaboration with A/E, develop schematic design, secure approval from all applicable review and regulatory agencies, and prepare schematic design budget. Proceed with preliminary design and budget development. The exterior design of each project shall be in accordance with the architectural design standards included in approved Campus Master Plans. The Board must concur with the architectural design of a project before initiation of final construction documents and specifications. (Stage III Submittal)

This is an action item for the Board.

IMPORTANT: All capital construction projects which will substantially affect the visual appearance of the campus (such as new construction, major building additions, exterior renovations, etc.) must be presented for review and approval to the Board with realistic renderings and/or models prior to Step 8. Renderings and models are not required for interior renovations (of existing facilities), which fall within this category. In addition, information regarding line-of-sight impact, scale and massing of new construction as it relates to existing buildings in the immediate area of the new construction shall be presented to the Board prior to Step 8.


9. In accordance with the provisions of Title 39-Code of Alabama, general contractors, construction managers, and design-build firms shall be pre-qualified to submit competitive proposals on capital projects.
10. In collaboration with A/E, prepare final budget, advertise project, receive construction bids. Normally the contingency allowance should not exceed a maximum of 5% of construction cost for new projects and 10% of construction costs for renovation projects.

11. Recommend award of contract to Board. Provide summary of bid tabulations, sources of funding, and qualification statements of the successful bidder. (Stage IV Submittal)

This is an action item for the Board.

IMPORTANT: Construction contracts on Capital projects involving interior renovations (of existing facilities) may be awarded without Board approval under the following conditions:

a. The estimated Total Project Budget is $10 million or less.
b. The Project has received Stage I and Stage II approval from the Board of Trustees.
c. The Project is advertised and bid according to the requirements and stipulations of Title 39 of The Code of Alabama 1975.
d. The Assistant Vice Chancellor for Construction Management reviews the proposed contract award with the Chair of the Physical Properties Committee who provides authorization to award.

e. The Assistant Vice Chancellor for Construction Management prepares a report for inclusion in the Physical Properties Committee meeting agenda summarizing the applicable project activity for the period.

If requested by a campus and approved by Board Resolution, a campus may award trade contracts on construction management (multi-phase) projects without specific Board approval under the following conditions:

a. Each campus submits, prior to the receipt of bids, detailed quantitative budget estimates for each trade contract.
b. The cumulative bid totals are equal to or less than the above-referenced trade contract estimates.
c. The campuses provide ongoing reports to the Chancellor’s office on awarded trade contracts.
d. Budget overruns shall not occur without specific Board approval.

12. Prepare and execute construction contract(s).

13. Issue Notice to Proceed. Administer construction contract, approve contract change orders in accordance with Attachment J, “Contract Change Order Procedures” within a maximum contingency allowance of 5% of
construction costs for new projects and 10% of construction costs for renovation projects. Increases to the total project budget must be presented to the Board for approval.

14. Accept project.

15. Disburse final payment to contractor.


17. At the conclusion of each project, each campus shall prepare a formal review of the design professionals’ performance on issues such as timeliness, cost overruns, quality of service, etc., in a format as directed by the Chancellor’s office. In addition, each campus shall prepare a formal review of each construction professional’s performance on issues such as project coordination, change orders, time delays, maintaining critical schedules, etc., in a format as directed by the Chancellor’s office.

The Chancellor’s office shall maintain data base evaluations from each campus reflecting the performance appraisals for design and construction professionals, and this data base shall be made available to all campuses to be used in the selection of design and construction professionals and pre-qualifying general contractors, construction managers, and design-build firms.
Note: For certain projects requiring Board approval it may be permissible to utilize internal Architects/Engineers (A/E). In such cases, campus administration shall submit justification to the Board to support its recommendation. The following procedures apply to the selection of external A/E. Details of the process shall be reported on forms developed by the Associate Vice Chancellor for Financial Affairs-Facilities and the Assistant Vice Chancellor for Financial Affairs-Construction Management.

- Campus administration appoints A/E Selection Committee for project.
  - The campus administration or the A/E Selection Committee shall provide timely and informative notifications to Alabama-based Companies and provide specific information thereto including, but not limited to:
    - the size and scope of the project
    - the type of expertise required to effectively design the project
    - the schedule for the project
    - the estimated cost of the project
    - the above-referenced notification shall be made by one or more of the following methods: public advertisements in local and statewide newspapers; posting on the University’s webpage or through the internet; providing notification to architectural and engineering professional organizations in Huntsville, Birmingham, Montgomery, Tuscaloosa, and Mobile, Alabama, and through the State Building Commission
  - A/E Selection Committee prepares listing of qualified A/E consultants, utilizing the following criteria:
    - General experience and competence of the firm and its principals
    - General experience of principals or staff architects, engineers, and other personnel with respect to projects of similar size, scope, and complexity
    - Licensing and approval for work within the State of Alabama
    - Review of performances on recently completed projects using a Systemwide performance evaluation data base maintained by Chancellor’s office and including the following information:
Programming and design performance
Completeness and timeliness of plans and specifications
Accuracy of pre-construction estimates
Qualifications to determine alternative energy sources and the ability to consider energy conservation and life-cycle cost analyses
The ability to design within stipulated budgets
Construction administration performance
Design errors and omissions
Budget overruns and change orders
Post-construction performance during the project guarantee period
Experienced staffing and the design expertise to produce design and construction documents to meet the project schedule

Campus A/E Selection Committee interviews a minimum of three qualified A/E’s and submits recommendations to campus administration for selection of project A/E in accordance with the following:

Architects and Engineers shall be first ranked by Architectural Selection Committee by qualifications using the guidelines in the hereinbefore listed criteria and the requirements of the Board for Registration of Architects. Engineers will also be ranked based on the hereinbefore listed criteria and any specific qualifications promulgated by the State Board for Registration of Engineers.

In choosing among those A/E entities that present comparable qualifications, as listed above, campus A/E selection committees shall grant a preference to Alabama-based firms and firms with a Substantial Alabama Presence, as defined in Items 1 and 2 below. Both categories of firms shall be included in the term “Alabama-based firms,” as used in this Board Rule.

1. Alabama-based Firm: Firm whose primary place of business is within the State of Alabama.

2. Substantial Alabama Presence Firm: Firm whose headquarters or primary place of business is not in the State of Alabama, but which maintains significant ongoing business in the state. (e.g., an Alabama architecture firm of long-standing is merged with or acquired by an out-of-state firm; however, the same architects practice in the same city in Alabama after the merger. This firm would qualify as a Substantial Alabama Presence Firm).

3. Non-Alabama-based Firm: Firm whose headquarters or primary place of business is not in Alabama and which maintains minimal or no significant presence within the state. (e.g., a 200-engineer firm in another state which has a satellite office in Alabama of three engineers would be a non-Alabama-based Firm).
• At least three finalists shall be selected and ranked by the Architectural Selection Committee utilizing those criteria listed above.

• After the Campus Selection Committee has completed the ranking of the top three firms, the ranking shall be submitted for approval to the UA System Office of the Vice Chancellor for Financial Affairs and the Chairman of the Physical Properties Committee. Once they have approved it, this information will be submitted to the Physical Properties Committee and then to the Board for review and approval (prior to any negotiations). This will constitute and be part of the Stage II Submittal to the Board.

• After the ranking of such firms is approved by the Physical Properties Committee and the Board, the Campus Financial Officers or their designees shall then negotiate with the most qualified firm seeking to secure the best fee proposal consistent with the size, scope, and complexity of the work. Campuses should evaluate methods of compensation other than a percentage-of-the-cost-of-the-work if such methodologies would be more advantageous to the University.

• The Architectural Selection Committee should notify the other firms interviewed, in writing, of the firms that have been selected for negotiations.

• In negotiating with the A/E firm designated as the most qualified for the project, Campus Finance Officers or their designees shall, to the greatest degree possible, require the following from the most qualified firm:
  o A non-Alabama-based A/E firm must associate with an Alabama-based A/E as a prerequisite to the award of a consulting contract.
  o If a non-Alabama-based Architect is declared the most qualified and is designated as the Architect of Record for a project, every effort must be made to require the use of Alabama-based and licensed civil, structural, electrical, and mechanical engineers.
  o For projects constructed for The University of Alabama System, the Owner and the selected A/E firm should agree to utilize, to the greatest degree possible, the services of Alabama-based and licensed land surveyors, geotechnical engineers, and landscape architects needed for the project.

• If the Campus Finance Officers or their designees are unable to negotiate an acceptable agreement with the most qualified firm, negotiations should be terminated in writing, and negotiations initiated with the next best-qualified firm.

• The Campus Finance Officers or their designees should proceed using this methodology until a fair and reasonable fee acceptable to the University is negotiated.
• Where Federal funds are involved and procedures have been established consistent with Federal guidelines by a particular Federal agency, the Federal guidelines will prevail on the project.

• After negotiating a consulting agreement, campus administration submits documentation of selection process and justification to support final selection to the Vice Chancellor for Financial Affairs and Chairman of the Physical Properties Committee.

* Campus Consultant Selection Committees shall use the above referenced A/E Selection Procedures when also contracting with Program Managers (PM) and Construction Managers (CM) and other Construction Professionals.
Purchases of individual items of equipment equal to or exceeding $500,000 in cost, or leases of individual items of equipment equal to or exceeding $500,000 in value, shall be submitted to the Board for approval prior to execution with summaries which include:

- Nature and type of equipment requested
- Location of proposed equipment
- Estimate of total cost and proposed method of financing
- Estimate of additional operational costs with respect to utilities, personnel, and maintenance
- Relationship of new equipment to current programs and/or to proposed programs at the institution
- Alternatives to proposed equipment
JUSTIFICATION FOR AND APPROVAL OF REAL PROPERTY ACQUISITIONS AND DISPOSITIONS

All proposed acquisitions and dispositions of real property, other than those associated with the granting of easements and rights-of-way, shall comply with the following process for campus review, advertisement, and formal Board review and approval prior to execution:

Dispositions

1. The campus’ (or System Office’s) designated agent will review each proposed disposition of real property and will make an election whether it can be economically justified and is in the best interest of the University and the State to offer the real property for sale through a duly licensed real estate broker or by negotiation after a publicly announced request for proposals is made, rather than through a public auction or sealed bids.

2. If this sale is handled through a process other than a public auction or sealed bids, this agent shall prepare a written declaration setting forth the specific reasons for the decision, and such documentation shall be retained, made a part of the campus’ permanent file, and shall be open to public inspection. A copy of this written declaration shall accompany other documentation as defined herein which shall be submitted to the Board.

3. The agent (or his or her designee) will obtain an appraisal from a duly licensed appraiser in the state in which the property is located.

4. If the property is to be sold through sealed bid or public auction, the agent (or his or her designee) will advertise the proposed sale at least once a week for four weeks in advance of the date fixed for receiving bids or the date fixed for public auction. This advertisement shall appear at least once a week for four consecutive weeks in a newspaper of general circulation in the county or counties where the real property is located and at least one time in three other newspapers of general circulation throughout the State. Real property outside Alabama shall be advertised at least one time in three newspapers of general circulation throughout the State.

5. Advertisements for bid or auction must state: the address of the real property to be sold; the legal description; the dates and times when property may be inspected or the number to call for an appointment; the date, time and place of auction or opening of sealed bids; and a statement that all bids and offers may be rejected.
6. If the property is to be offered for sale through a duly licensed real estate broker, the offer must be published by the broker in accordance with customary practices.

7. These disposition items must be presented to the Board for approval prior to execution with the following documentation:

- A summary including a description of the property identifying the location; acreage; improvements; value as determined by certified appraisal; reason for disposal of real property; sale price; and the party to whom property is to be sold

- Copy of sale contract, in substantially final form

- Copy of appraisal

- Copy of the Declaration by the Board’s Designated Agent referred to in Paragraph 2, where appropriate

8. For quitclaim deeds that are requested for quieting title purposes, the only documentation required is a summary of the request, circumstances supporting the request, and description of the property. These do not require Board approval.

Acquisitions

1. The campuses will submit the following information to the Board for review and approval:

- A complete summary of the proposed acquisition including: the location; legal description; acreage; improvements; purchase price; method of financing; value established by appraisal; current owner of the property; estimated cost to renovate or develop; discussion of environmental assessment; estimated additional operating costs with respect to utilities, personnel, and maintenance; alternatives to the acquisition of real property; and a justification for the acquisition of real property in terms of its contribution to the stated priorities of the institution

- Copy of purchase contract, in substantially final form

- Copy of Phase I environmental assessment

- Copy of appraisal
Attachment E to Board Rule 415

JUSTIFICATION FOR AND APPROVAL OF LEASES OF UNIVERSITY-OWNED REAL PROPERTY

1. All ground leases must be presented to the Board for approval prior to execution. For ground leases other than those covered in numbers 2 and 3 below, the following documentation must be provided:

   • A summary including: the location; legal description; improvements on the land; the value of the land as established by certified appraisal; term and reason for proposed lease; and the name of the proposed lessee.

   • Copy of the lease, in substantially final form.

2. Timber and mineral leases must be presented to the Board for approval prior to execution. The following documentation must be provided in the same manner prescribed for disposition in paragraphs 1 through 7 of Attachment D of this Board Rule, except that such documentation must relate to a lease rather than a sale:

   • A summary including: the location; size of property; term of lease; consideration; the name of the proposed lessee; and a discussion of the process used to advertise the lease.

   • A statement by the campus’ (or System Office’s) designated agent that the lease was offered in a manner that is economically justified and in the best interest of the University and the State.

3. The Board acknowledges that certain ground leases and leases of University-owned facilities to social or professional organizations, faculty members, and employees are in the best interest of the University and the State. Authority to manage these is delegated to the campus Presidents. The Board also acknowledges that other ground leases and leases of University-owned facilities for institution-related purposes which are designed to enhance the operation of the University are often in the best interest of the University and the State and require the following information and documentation prior to approval:

   • A summary including: the location; size of property; term of lease; consideration; and the name and relationship of the lessee.

   • A statement by the campus’ (or System Office’s) designated agent that such lease is in the best interest of the University and the State.
4. All leases of University-owned facilities which involve a real property interest with a value of more than $20,000 that are not covered in Paragraphs 1, 2, or 3 above, must be handled in the same manner prescribed for dispositions in Attachment D of this Board Rule.
Attachment E\textsuperscript{1} to Board Rule 415

JUSTIFICATION FOR AND APPROVAL OF LEASES
OF OFF-CAMPUS PROPERTY WHERE THE UNIVERSITY IS THE LESSEE

1. All Capital Leases regardless of cumulative lease value or duration must be submitted to the Board for review and approval.

2. Operative Leases may be approved by the campus Presidents or their designated agents who are authorized to sign lease agreements on behalf of the Board of Trustees of The University of Alabama, if they meet one of the following criteria:

- The lease has duration of one year or less
- The lease has a cumulative lease value of $750,000 or less
- The lease is between the University and an affiliated institution, such as a foundation or non-profit corporation

Each campus must maintain a file on each such lease transaction, which includes the following:

a. The executed lease document

b. A statement from the director of the educational or administrative unit explaining the necessity of acquiring additional space

c. A statement from the campus Designated Agent that suitable space is not available on campus

d. A statement from the campus Designated Agent that supports the selection of the specified lease space, addressing such issues as location, building amenities and price

e. An approval routing sheet that shows authorization from the educational or administrative unit responsible for the lease payments, the campus Designated Agent, the campus Office of Health and Safety, the campus Legal Office and the Vice President for Administration and Finance, or his or her appropriate designee
3. All operative leases that do not meet any of the listed criteria and all capital leases shall be presented to the Board of Trustees for approval prior to execution with the following documentation:

- A summary of the space to be leased identifying the location of the space, amenities, rental rate, property ownerships, etc.
- A statement from the director of the educational or administrative unit explaining the necessity of acquiring additional space
- A statement from the campus Designated Agent supporting the decision to lease the specified space
- A copy of the contract to be executed
Attachment F to Board Rule 415

FORMAT OF BUSINESS PLANS TO BE DEVELOPED FOR
MAJOR CAPITAL PROJECTS *
BY UNIVERSITY HOSPITAL

1. Statement of Mission and Executive Summary
   - This should be a one- to three-page section that explains briefly the mission of
     the unit involved and a summary of the key points of the Business Plan.

2. Financial Review
   The Financial Review section should include the following:
   - Base year report of revenues and expenses before the proposed changes are
     made.
   - Projections of revenues and expenses for the next five years, assuming that the
     proposed change is made.
   - Expenses should reflect direct and indirect costs.
   - Expenses should include a reserve for replacement calculated using the straight-
     line depreciation method or by component depreciation method with realistic
     lives for facilities and equipment. If the space is specialized in nature, discuss
     the estimated cost to convert to other uses should the program end.
   - A complete listing of all assumptions and procedures used in developing the
     revenue and expense projections, including the rationale for anticipated growth.
   - A detailed analysis of the financial implications associated with the proposed
     change for each part of the University or Foundation. (For example, if the
     proposed change has financial implications for the Hospital, School of
     Medicine and/or the Health Services Foundation, the financial impact for each
     unit should be shown.)
   - Breakdown by payer class of patients using the service.
   - Discussion of any limitations on reimbursements by third-party payers.
• Discussion of the expected effect of health care reform on the program for which the expenditure is being made.

3. Market Review

• Description of the market for the particular service and how the proposed change improves the University's competitive position. Describe other competitors and where they are located.

• Discussion of how the University's market position is affected if this change is made or not made.

4. Programmatic Review

• Discussion of programmatic impact of making or not making this change.

• For proposed changes which are projected to result in negative cash flow, a discussion of the value of the proposed change to the remainder of the Academic Health Center.

5. Coordination with University of Alabama Health Services Foundation

• Discussion of how the proposed change has been coordinated with The University of Alabama Health Services Foundation to ensure that services are not unnecessarily duplicated.

* Construction, renovation and additions of $750,000 or greater and equipment purchases/leases of $500,000 or more which are not part of a construction project.
FORMAT OF BUSINESS PLANS TO BE DEVELOPED FOR MAJOR CAPITAL PROJECTS *
FOR AUXILIARY AND OTHER SELF-SUPPORTING ENTERPRISES

1. Statement of Mission and Executive Summary
   - This should be a one- to three-page section that explains briefly the mission of the unit involved and a summary of the key points of the Business Plan.

2. Financial Review
   The Financial Review section should include the following:
   - Base year report of revenues and expenses for the auxiliary or other self-supporting enterprise before the proposed changes are made.
   - Projections of revenues and expenses for the next five years, assuming that the proposed change is made.
     Expenses should reflect direct and indirect costs.
     Expenses should include a reserve for replacement calculated using the straight-line depreciation method or by component depreciation with realistic lives for facilities and equipment. If the space is specialized in nature, discuss the estimated cost to convert to other uses should the program end.
   - A complete listing of all assumptions and procedures used in developing the revenue and expense projections, including the rationale for anticipated growth.
   - A detailed analysis of the financial implications associated with the proposed change for other parts of the University.

3. Market Review
   - Description of the market for the particular service and how the proposed change improves the University's competitive position. Describe other competitors and where they are located.
   - Discussion of how the University's market position is affected if this change is made or not made.
4. Programmatic Review

- Discussion of programmatic impact of making or not making this change.

* Construction, renovation and additions of $750,000 or greater and equipment purchases/leases of $500,000 or more which are not part of a construction project.
SAMPLE RESOLUTION

WHEREAS, Board Rule 415 specifies that one individual from each campus of The University of Alabama System and from the System Office shall be appointed by The Board of Trustees of The University of Alabama to evaluate the disposition of real property and determine the method by which the property should be disposed in order to serve the best interest of the University and the State, and to determine that certain ground leases and facilities leases are in the best interest of the University and the State; and

WHEREAS, such agent shall be responsible for maintaining permanent records on their respective campus (or System Office), setting forth the reasons for the decisions made regarding the method of real property disposition; and

WHEREAS, these agents are responsible for ensuring that the documentation called for in Board Rule 415 is submitted to The Board of Trustees for approval prior to closing;

NOW, THEREFORE, BE IT RESOLVED by The Board of Trustees of The University of Alabama that effective [insert date] and until superseded by further action of this Board, the following individuals are designated as agents for these purposes: (Name) for The University of Alabama, (Name) for The University of Alabama at Birmingham, (Name) for The University of Alabama in Huntsville, and (Name) for The University of Alabama System Office.
CAPITAL PROJECT REPORT /1

Date

TO: Vice Chancellor for Financial Affairs

FROM: (Name)
(Name of campus) Vice President for Financial Affairs

SUBJECT: Construction Contract Completion Report

Project Name: _______________________________________________________
Project Address: _____________________________________________________

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>New Construction</td>
<td>Renovations</td>
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</table>

Date Board Approved Contract Award: _______________________________

Date of Substantial Completion: __________________________________

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<tr>
<td>A</td>
<td>Board Approved Contract Amount</td>
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<tr>
<td>B</td>
<td>Board Approved Project Budget</td>
</tr>
<tr>
<td>C</td>
<td>Board Approved Construction Contingency /2</td>
</tr>
<tr>
<td>D</td>
<td>Construction Contract Changes (Actual)</td>
</tr>
<tr>
<td>E</td>
<td>Total Revised Construction Contract (Actual)</td>
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<tr>
<td>F</td>
<td>Total Revised Project Budget (Actual)</td>
</tr>
<tr>
<td>G</td>
<td>Percentage (%) Changes Via Change Order</td>
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</table>

/1 This Report shall be filed with the Office of the Vice Chancellor for Financial Affairs, The University of Alabama System no later than ninety (90) days from the date of substantial completion for all Capital Project Construction Awards approved by the Board of Trustees after November 2001.

/2 Contract Change Order Procedures with a maximum of 5% of construction costs for new projects and 10% of construction costs for renovation projects.
CONTRACT CHANGE ORDER PROCEDURES

A. Change Orders (basically as promulgated by the State Building Commission and Attorney General’s Office) may be used to facilitate the following:

1. Minor changes for a monetary value less than required for competitive bidding (i.e., less than $50,000).

2. Changes for matters relatively minor and incidental to the original contract necessitated by unforeseeable circumstances arising during the course of the work.

3. Emergencies arising during the course of the work of the contract.

4. Bid Alternates provided for in the original bidding where there is no difference in price of the change order from the original best bid on the alternate.

5. Changes are relatively minor items not contemplated when the plans and specifications were prepared and the project was bid which are in the public interest.

B. The above State Guidelines are amended as follows:

1. The maximum project contingency (for construction change orders) shall not exceed 10% of low bids on renovation projects and 5% of low bids on new construction projects.

2. Program changes exceeding $100,000 in costs must be submitted to the Vice Chancellor for Financial Affairs for final review and approval after consultation with the Chancellor and the Physical Properties Committee Chairman.

3. Change orders cannot be approved at the campus level which will cause an overrun in the total project contingency approved by the Physical Properties Committee and the Board. In the event those costs are exceeded, the Vice Chancellor for Financial Affairs, after consultation with the Chancellor and the Physical Properties Committee Chairman, must approve any variances thereover.
4. In addition to the above, each campus shall provide a report no later than 90 days from the date of substantial completion for all Capital Projects approved in accordance with Board Rule 415 to the Vice Chancellor for Financial Affairs. The report should also reflect the percentage change in the original contract amount as a result of change orders.

5. Furthermore, the approved programs and scope of work for capital projects should not be changed or extended via the change order process beyond that approved by the Physical Properties Committee and the Board. Otherwise, change orders that fall within the “general scope of the work” as approved for the project and do not exceed the established contingency amount shall be allowable at the campus level utilizing these guidelines, and when approved by the Campus Legal Counsel(s). When favorable bids are obtained, the savings may be applied to previously identified alternatives.
Attachment K to Board Rule 415

Supplemental Project Information Worksheet
Annual Capital Development Plan

FY: ________________

Project Name/Category: _____________________________________________________

________________________________________________________________________

Campus: ____________________________

1. Will this Project increase the current space inventory on campus or replace existing space?

   _______ increase space inventory    _______% increase    ______ GSF

   _______ replace space inventory    _______% replacement  ______ GSF

   _______ renovation of existing space only _______ GSF

2. If this Project will replace existing space inventory, how will vacated space be utilized or assigned after this Project is completed?

   Comments: _________________________________________________

   ____________________________________________________________

   ____________________________________________________________

   ____________________________________________________________

   ____________________________________________________________

   ____________________________________________________________

   ____________________________________________________________

   ____________________________________________________________
3. **Provide information on classification of new space provided by this Project and latest utilization data on similar type spaces on campus.**

<table>
<thead>
<tr>
<th>Classification</th>
<th>Number (Units)</th>
<th>Capacity (Persons)</th>
<th>Area (GSF)</th>
<th>% of available scheduled hrs /2</th>
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<tbody>
<tr>
<td>1. Instruction:</td>
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<tr>
<td>a. Similar Rooms /3</td>
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<td>b. Class Rooms /4</td>
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<td>c. Lecture /5</td>
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<td>a. Faculty</td>
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<td>b. Administration</td>
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<td>4. Intercollegiate Athletics</td>
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**Comments:**
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**Notations:**
/1 Latest Fiscal Year Data Available
/2 Utilization Factor based on Scheduled Operating Hours on Campus
/3 10-20 person capacity
/4 20-125 person capacity
/5 125 person capacity and above
/6 sculpture, art, broadcast studios and similar areas
4. How will this Project enhance existing/new programs and undergraduate/graduate enrollments?

Estimated new Funds from Tuition/Program $_________________ Yr.
Comments:________________________________________________________________________
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5. **Source(s) of funding for Total Project Development Costs.**

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<th>Source(s)</th>
<th>New Funds (FY_______)</th>
<th>Reserves</th>
<th>Status/6</th>
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/6 Approved, allocated, pending

Comments: ________________________________________________________________

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6. **Estimate of operations and maintenance (O&M) costs for the initial occupancy year and projections for succeeding five (5) year period.**

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<thead>
<tr>
<th>Expense</th>
<th>FY_______ Base Data /7</th>
<th>First Full /YR Occupancy FY_______</th>
<th>Successive Five (5) Year Projections /8</th>
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</table>

/7 Latest Fiscal Year Data used as Base Year for Projections
/8 Combined Costs for next Five (5) Years of Occupancy

Comments: __________________________________________________________
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7. **Source of funds for projected ongoing operations and maintenance (O&M) costs for this project.**

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<th>Source(s)</th>
<th>Occupancy Yr /9 (FY_____</th>
<th>Future Years /10</th>
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<td><strong>Total/YR</strong></td>
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</table>

/9 Initial Full Yr of Occupancy
/10 Next Five (5) Yrs Occupancy
/11 Funds Reallocated from other sources

8. **Development expenditures for this Project to be used to reduce the current deferred maintenance/facilities renewal liabilities for the Campus?**

$__________  ______% of Total Development Costs

Comments:__________________________________________________________
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_________________________________________________________________

Attachment K to Board Rule 415 195 Page 6
9. What other development alternatives were considered in the planning process for this Project? /12

Comments:__________________________________________________________________________
________________________________________________________________________________________
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/12 Renovation vs. new construction, adaptive reuse of under utilized buildings, etc.

10. What would be the immediate impact on campus programs and enrollment if this project is not approved?

Comments:__________________________________________________________________________
________________________________________________________________________________________
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## Attachment L to Board Rule 415
### BUSINESS PLAN FOR NON-HOSPITAL RELATED PROJECTS

**Campus:**

**Building:**

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417. **Physical Properties Committee Operations**

I. **Introduction**

The Bylaws of The Board of Trustees of The University of Alabama (herein called Board), at Article IV, Section 2, provide for a standing committee designated as the Physical Properties Committee (herein called Committee). The Committee's role is primarily advisory to the Chancellor and the Board, unless otherwise provided by the Board. It is expected that the Committee will meet at all regular meetings of the Board, and on other occasions as deemed necessary by the Chancellor or the Board.

II. **Objectives**

The purpose of these operating guidelines is to provide a mechanism, through the Office of the Chancellor, to assist the Board in its policymaking role and in those business and physical property matters requiring Board action on matters in which the Board has expressed a desire to be kept fully informed. The Chancellor shall review information and make recommendations to the Committee in the following areas:

A. Evaluation of campus master plans and annual capital development plans;

B. Acquisition and disposition of land, facilities and equipment;

C. Construction-related contract review;

D. Ground and facility leasing;

E. Planning and construction of new facilities and renovation of existing facilities;

F. Off-campus land use;

G. Other matters that may be referred by the Chancellor or the Board.

In each of the areas set forth above, the Chancellor, through the Vice Chancellor for Financial Affairs, the principal staff officer in these matters, shall cause the issuance of detailed plans for accomplishing the work of the Chancellor and the Board. Such detailed plans will be approved by the Chancellor and communicated to the Presidents and to the members of the Committee.

Before issuing any such detailed plans, the Chancellor or Vice Chancellor shall consult with and seek the advice and recommendations of the chief financial officers of each of the campuses.
To fulfill the above purposes, the Committee will work with the assistance of the Vice Chancellor for Financial Affairs, as designated herein. The Chancellor wishes to review and present to the Board relevant financial functions indicated under this Section II.

III. Operation of the Committee

A. Operations

1. All physical property issues of the Board are presented to the Committee.

2. Chancellor's staff prepares agenda for distribution to the Committee members prior to each meeting.

3. The Committee takes the official action for items requiring action by a Board Committee.

4. The Vice Chancellor for Financial Affairs, or her/his designee, schedules working sessions, as needed, to permit time for full discussion of each item on the agenda.

5. In order for an item to appear on the agenda of the Committee, the Chancellor, the Chair of the Committee or the President pro tempore, should review it.

(Adopted November 19, 1999.)
419. Procedures for Issuing Bonds

At its meeting on September 18, 1998, The Board of Trustees of The University of Alabama adopted a resolution expressing a preference for the sale of bonds by competitive bid and for an open and competitive process for the selection of any services necessary or desirable in the borrowing of funds through the issuance of bonds. In that resolution, the Board directed that all bonds be sold by open, competitive bid unless it specifically authorizes otherwise and directed the Chancellor, in consultation with the financial officers of the campuses and the University Hospital, to establish a written process to be used in the selection of any services necessary or desirable in the borrowing of funds by the University.

In response to changing conditions in debt management, the Board of Trustees approved a modification of the resolution at their June 2005 meeting. These changes are incorporated in the body of this Board Rule.

To assure that the direction and intent of the Board are met, the following procedures will be followed in the borrowing of funds through the issuance of bonds.

BOND SALES

The competitive sale of bonds normally should produce the lowest total cost to the University for many bond issuances, such as: those focused on a single project; those pledging tuition, housing rentals, and similar revenues; or those that are straightforward and easily understood by investors. At the same time, for certain types of issues, such as those that pledge health care revenues, utilize a mix of bond indentures, or those that bundle different types of projects into a single issue, competitive sales generally are not utilized because they do not produce the lowest total cost for the University. To make the decision that is most advantageous to the University in the issuance of bonds, the Board, therefore, will review and approve in advance each bond issue and the recommendations of the financial officers for underwriters and any financial advisor. Any proposal to issue bonds or indebtedness other than by open and competitive bid must be proposed on the basis that the method recommended is the most advantageous to the University.

COMPETITIVE SALE

If a campus desires to sell the bonds by competitive sale, it must first present to the Board of Trustees, at a regularly scheduled meeting, the particular details of the bonds that will be competitively bid, including the process for advertising, par value of the bonds to be sold competitively, projected sale date, and the anticipated terms of the successful bid.
FINANCIAL ADVISORS

The chief financial officers of the campuses and University Hospital may hire and retain firms to provide financial advice and assistance in borrowing and the issuance of bonds. For the period of time that a firm or individual is hired or retained to provide financial advice or assistance in the borrowing or issuing of bonds, they shall not be eligible to serve as underwriter or in any other capacity than financial advisor. Financial advisors shall be selected via a Request for Proposals (RFP) process as outlined in Attachment A. At the discretion of the campus, financial advisors may be selected for each issuance or for a period not to exceed three years.

UNDERWITERS

If the Board has approved a negotiated bond sale, the chief financial officers of the campuses and University Hospital may hire and retain firms to provide underwriting services for the issuance of bonds. Any firm or individual hired or retained to provide underwriting services or other assistance in the borrowing or issuing of bonds shall not be eligible to serve as financial advisors or other capacity than underwriter for that particular issuance. Any campus or the University Hospital desiring to issue bonds shall select an underwriter via a Request for Proposals (RFP) process as outlined in Attachment A. From the proposals received, the campus or University Hospital shall recommend to the Board the firm (or firms) to provide the underwriting service that best meets the specifications included in the RFP at the lowest cost to the University.

BOND COUNSEL

Bond Counsel shall be obtained by the General Counsel following current procedures for obtaining legal services.

OTHER PROFESSIONAL SERVICES

For other services that are customarily competitively bid, per the guidelines in Attachment A, an RFP for each type of service will be issued to any entities or firms who are known to have or indicate an interest in receiving the RFP based on advertisements placed in appropriate media. If an underwriter or financial advisor agrees to provide these services as a part of its fee, then that underwriter or financial advisor shall select the individuals or firms to provide those services by any manner it chooses. However, if the University is to pay for those services directly, those services will be subject to the provisions of this policy.

Proposal responses will be evaluated based on the specifications included in the RFP based on the particular financing requirements of the bond issue.
FINAL REPORT

Within thirty days of completion of the bond sale, the campus or University Hospital will complete a New Bond Issuance Summary (Exhibit 1) which will be submitted to the Vice Chancellor for Financial Affairs. The report will be distributed to the Board. On an annual basis, the Vice Chancellor for Financial Affairs will prepare for the Board a summary report for the bonds issued during the fiscal year.

BOND ISSUANCE BY AFFILIATE

Unless otherwise specified by agreement, no affiliate of the University may issue bonds without the prior approval of the Board. The Chancellor shall set up procedures to ensure compliance with this provision of Rule 419.

THE PURPOSE OF THIS PROCEDURE

There is no legal requirement for the University to bid the borrowing of funds, the issuance of any bonds, or any services necessary or desired in connection with those matters. The use of the term "bid process" or "bid" shall not imply or confer any property, procedural, or other rights or interests of any kind in any firm or individual. Nothing in the September 18, 1998, Board Resolution, or any other Board Resolution, or the preference of the Board for competitive bid shall create any property, procedural, or other right or interest of any kind in any prospective or actual bidder or any individual or other entity in connection with the issuance of any debt or bonds by the University. This procedure is adopted for the sole advantage of the University.

No person or firm shall have or acquire any right, interest, claim, or cause of action in or by virtue of any action taken or decision made under any of these procedures or in breach or violation of any of them. The criteria for the invitations to bid, the specifications and alternatives, and the identification and selection of firms and individuals are all at the exclusive discretion of the University. It and its officials and employees shall be the sole judge and decision-maker for all decisions to be made, actions required or desired to be taken under the Board resolution, this Board Rule, and all other aspects of the identification and selection of firms and individuals to perform services for the University in the borrowing of funds or the issuance of bonds or other debt.

(Adopted June 17, 2005; amended April 8, 2011.)
GUIDELINES
FOR OBTAINING FINANCIAL ADVISOR, UNDERWRITER,
AND OTHER RELATED SERVICES

Obtaining Board Approval for Financial Advising Services:

The chief financial officer (CFO) will issue an RFP for financial advising services. An RFP will be issued to firms that have indicated an interest in providing these services. In addition, notices of the RFP will be published in the major state newspapers, on the University website, and the Red Book.

Submitted proposals will be evaluated and ranked by a committee established by the CFO. In choosing among financial advisors with comparable qualifications, campus selection committees shall grant a preference to Alabama-based firms and firms with a Substantial Alabama Presence, as defined below. Both categories of firms shall be included in the term “Alabama-based firms,” as used in this Board Rule.

Alabama-Based Firm: Firm whose primary place of business is within the State of Alabama.

Substantial Alabama Presence Firm: Firm whose headquarters or primary place of business is not in the State of Alabama, but which maintains significant ongoing business in the state. (e.g., an Alabama law firm of long-standing is merged with or acquired by an out-of-state firm; however, the same lawyers practice in the same city in Alabama after the merger. This firm would qualify as a Substantial Alabama Presence Firm.)

Non-Alabama Based Firm: Firm whose headquarters or primary place of business is not in Alabama and which maintains minimal or no significant presence within the state. (e.g., a 200-engineer firm in another state which has a satellite office in Alabama of three engineers would be a non-Alabama Based Firm.)

The CFO will submit to the Vice Chancellor for Financial Affairs the top three firms in the order of preference. The Vice Chancellor will meet with the Chairman of the Finance Committee to review the RFP process and the ranking of the submitted RFPs. The Vice Chancellor will advise the campus CFO in writing when this review has been completed. After notification that the review has been completed, the
campus CFO will present the list of recommended financial advisors to the Board for review and approval.

After obtaining Board approval, the CFO may initiate negotiations with the first ranked firm. If these negotiations are not successful, the second ranked firm will be contacted and negotiations initiated. The CFO shall proceed using this methodology until a fair and reasonable fee acceptable to the University is negotiated.

Each campus and University Hospital has the option of contracting with a financial advisor for a term not to exceed three years.

**Obtaining Board Approval for Bond Issuance:**

Campuses or University Hospital desiring to issue bonds must present to the Board a resolution requesting approval to begin the process of issuing bonds. Included in the request will be the completion of the *Summary of Current Debt (Form A)* and *Request for New Debt Issuance (Form B)*. The resolution will also specify whether the bond issuance will be competitively bid or sold under another method. Once approval is obtained, the campus or Hospital may begin the process of obtaining professional services for underwriting. This process can be done simultaneously with the selection of a financial advisor.

**Obtaining Board Approval for the Competitive Sale of Bonds:**

After the request to issue debt has been approved, the CFO may begin the process of issuing bonds through the competitive bid process. Before the bonds are competitively bid, the CFO must present to the Board the particular details of the bonds that will be competitively bid, including the process for advertising, sale date, and the projected terms of the successful bid. Upon approval, the CFO may proceed with the competitive bid process, selling the bonds to the underwriter or syndicate which provides the best price at the bid opening on the established sale date.

**Obtaining Board Approval for Underwriting Services:**

After the request to issue debt has been approved utilizing a method other than the competitive sale of bonds, the CFO may issue an RFP for underwriting services.

An RFP will be issued to firms that have indicated an interest in providing these services to the University. In addition there will be notices of the RFP published in the major state newspapers and other media the campus feels will receive the widest exposure.
Submitted proposals will be evaluated and ranked by a committee established by the CFO. In choosing an underwriter from equally qualified firms, preference will be given to Alabama-based firms or syndicates as defined above.

The CFO will submit to the Vice Chancellor for Financial Affairs the top three firms and or syndicates in the order of preference. The Vice Chancellor will meet with the Chairman of the Finance Committee to review the RFP process and the ranking of the submitted proposals. The Vice Chancellor will advise the campus CFO in writing when this review has been completed. After notification that the review has been completed, the campus CFO will present the list of recommended underwriter(s) to the Board for review and approval.

After obtaining Board approval, the CFO may initiate negotiations with the first ranked underwriter. If these negotiations are not successful, the second ranked firm will be contacted and negotiations initiated. The CFO shall proceed using this methodology until a fair and reasonable fee acceptable to the University is negotiated.

Each bond issue that is not competitively bid will require the above process unless the campus seeks Board approval for an alternate process.

**Obtaining Board Approval for Other Services:**

Other financial services related to the issuance of debt that would customarily be competitively bid will be obtained by following the process outlined above for obtaining underwriting services.
# New Bond Issuance Summary

For Presentation to The Board of Trustees of
The University of Alabama

## Board Meeting on:
(date of meeting)

<table>
<thead>
<tr>
<th>Campus:</th>
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<tr>
<th>Fiscal Year:</th>
<th>Series:</th>
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<tr>
<th>Amount of Offering:</th>
<th>Par Value:</th>
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<table>
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<tr>
<th>Stated Interest Rate:</th>
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<table>
<thead>
<tr>
<th>Fixed:</th>
<th>Variable:</th>
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<th>Bond Counsel:</th>
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<tr>
<th>Underwriters:</th>
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<th>Bond Sale is:</th>
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<tr>
<th>Negotiated:</th>
<th>Bid:</th>
<th>Both:</th>
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(Please summarize how the decision was made)

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<th>Amount of Offering that is:</th>
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| New Money: |
| Refunded: |
| Restructured: |

| What is the net present value of savings/loss on the restructuring: |
| Annual savings: |

| Total campus debt including this offering: |
| How much will this offering increase annual debt service: |
| Total annual campus debt service including this offering: |
New Bond Issuance Summary
For Presentation to The Board of Trustees of
The University of Alabama
Board Meeting on: _____________________________
(date of meeting)

Campus: ________________________________
Fiscal Year: _____________________________  Series: __________

Projects that will be funded from this offering:
(Please list project and amount dedicated from bond offering)

<table>
<thead>
<tr>
<th>Project</th>
<th>Total Cost</th>
<th>Amount Funded From This Issuance</th>
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<tbody>
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Total $ $

Is there the potential for arbitrage with this offering:
__________________________
If so, please explain how it will be mitigated:

__________________________
__________________________
__________________________
New Bond Issuance Summary
For Presentation to The Board of Trustees of
The University of Alabama
Board Meeting on:

(date of meeting)

Campus: ____________________________

Fiscal Year: ____________________________ Series: ______

<table>
<thead>
<tr>
<th>Issuance Cost Summary</th>
<th>Amount</th>
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<tr>
<td>Bond Counsel</td>
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<td>Financial Advisor</td>
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<td>Underwriter(s)</td>
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<td>Trustee and Counsel Fees</td>
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<tr>
<td>POS/Official Statement Costs</td>
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<td>Rating Agency Fees</td>
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<tr>
<td>Standards/Poors</td>
<td></td>
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<tr>
<td>Moodys</td>
<td></td>
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<tr>
<td>Fitch</td>
<td></td>
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<tr>
<td>Insurance Premium</td>
<td></td>
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<tr>
<td>Trustee Annual Fees</td>
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<tr>
<td>Other Costs</td>
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| Total Cost of Issuance | $ |
| Percent of Total Issuance | |

Campus Rating With the Additional Debt:

S&P: ____________________________
Moodys: ____________________________
Fitch: ____________________________

Exhibit 1 to Board Rule 419
UNIVERSITY OF ALABAMA SYSTEM
FORM A
Summary of Current Debt
Fiscal Year

Campus: ______________________

Summary of Current Long-Term Debt:
(Insert additional rows if needed)

<table>
<thead>
<tr>
<th>Series</th>
<th>Amount</th>
<th>Interest Rate</th>
<th>Variable or Fixed Rate</th>
<th>Annual Debt Service</th>
<th>Maturity Date</th>
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Total $ $

Current Ratings
  Standard & Poors __________
  Moodys __________
  Fitch __________
UNIVERSITY OF ALABAMA SYSTEM
FORM B
Requested New Debt Issuance

For Fiscal Year ________________

Campus: ____________________________

Summary of Proposed Long-Term Debt:
(Insert additional rows if needed)

<table>
<thead>
<tr>
<th>Projects to be Bonded</th>
<th>Project Cost</th>
<th>Amount Funded From Bonds</th>
<th>Amount Funded From Other Sources</th>
<th>Other Funding Source(s) Please list</th>
<th>Projected Annual Debt Service</th>
<th>Projected Maturity Date</th>
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Total $ $
500 Series

ACADEMIC AFFAIRS,
STUDENT AFFAIRS,
AND PLANNING
Responsibilities of the Academic Affairs, Student Affairs, and Planning Committee

I. The revised Bylaws of The Board of Trustees (herein called Board) provide for a standing Academic Affairs, Student Affairs, and Planning Committee (herein called Committee) in Article IV Section 2.

II. The Committee’s role is advisory to the Board in the areas set out in Article IV Section 2 of the Bylaws unless otherwise provided by the Board.

III. Purposes of the Committee

A. To provide a mechanism through the Chancellor’s Office to assist the Board in its policy-making role by providing information and reasoned perspectives regarding academic and student spheres. This would include the following stated functions of the Board:

1. Establish policies and goals of the System and direct the Chancellor to implement and achieve those policies and goals;

2. Review and approve academic plans, including new programs and new units, as well as major modifications to existing programs and units;

3. Upon recommendation of the Presidents, approve the earned degrees awarded.

B. To support the Presidents and their academic affairs and student affairs officers in developing new programs and services, and to serve as advocates for each campus and for the System as a whole wherever and whenever appropriate.

C. To assist the Chancellor in performing the following of his or her stated functions:

1. Implement Board policies, continuously review the administration and effect of these policies, and recommend, for the Board’s consideration, modifications to existing policies and new policies at both the institution and System levels;

2. Recommend to the Board the mission, role, and scope of the System and of its respective institutions, and undertake comprehensive strategic and long-range planning;

3. Coordinate all functions of the System to ensure an integrated institution of related and cooperating campuses, with coordinated
educational programs and services so that quality and comprehensiveness are emphasized, cooperation is ensured, and unnecessary duplication is avoided.

4. Strengthen the quality of effort in those programs of teaching, research, and service for which there is the greatest need in the state. This should be accomplished through attraction of new resources, coordination of effort (if such will provide a better total program), through the normal budgetary process (including the development of appropriation requests), and a reallocation of resources if necessary.

IV. Major Responsibilities of the Committee

A. Review the quality/effectiveness of the institutions and their programs. This will be a central focus of the Committee’s work.

B. Review planning strategies and plans that would be developed by the campuses and/or by the System Office.

C. Review information directly related to programmatic and administrative assessments, evidence/indicators of effectiveness, outcome measures determined by internal and external evaluations, matters of intercampus cooperation, and academic efficiency.

D. Review financial and facilities plans that impact academic, student, research, and service programs.

E. Review and recommend organizational structures for academic affairs and student affairs units including the creation or major modifications of colleges, schools, division, departments, centers, etc.

F. Review and recommend changes in institutional mission/purpose, role, and scope.

G. Review and recommend the creation of chairs and professorships and appointments to them. (See BR 508-I-B)

H. Periodically review institutional policies governing tenure and other faculty rights and responsibilities.

I. Consider and recommend new programs of instruction, research, and service.

J. Review matters that are developed by the Alabama Commission on Higher Education (ACHE), the State Legislature, or other governmental bodies that affect System institutions.
K. Review standards recommended by the institutions of the System (i.e. student admission to the institution and to programs, standards of academic progress, honors, graduation requirements, etc., and other student affairs that relate to academic matters).

L. Review policies and practices of peer institutions and make recommendations regarding the standards used in the System’s institutions.

M. Review and recommend student affairs plans, as appropriate. This also includes the periodic review with the Vice Chancellor for Academic and Student Affairs the items of Committee responsibility covered in Board Rule 200.

(Adopted May 14, 1977; Amended September 17, 1980, Revised September 17, 1999; amended November 14, 2008.)
502. **Establishing New Programs**

I. **Policy Statements**

A. Primary responsibility for the planning and execution of academic programs begins with the faculty and staff of each System campus.

B. The Board and the Chancellor encourage adaptation of resources to meet changing academic needs in the State.

C. The institutions of The University of Alabama System are required to submit requests for new programs to the Chancellor for review and approval. Upon the approval of the Chancellor, the new program request will be submitted to the Board of Trustees for final approval.

D. Efforts at collaboration and sharing, including cooperative, joint, and shared programs, must be explored at the campus and System levels whenever a new degree program of instruction is considered.

E. Guidelines and procedures for the development, submission, review, and approval of new programs are developed and administered by the System’s Office of Academic Affairs.

II. **The Guidelines for Establishing a New Degree Program**

A. **Notification of Intent to Submit a Proposal**

1. The faculty develops a Notification of Intent to Submit a Proposal (NISP). (Please see Attachment A)

2. Campus committees review the NISP.

3. The Provost/Vice President for Academic Affairs reviews the NISP.

4. The NISP is approved by the President and forwarded to the Chancellor for review.

5. The Vice Chancellor for Academic and Student Affairs reviews the NISP, which will include a meeting with the provost, program administrator, and the lead faculty member.

6. The System Office sends the NISP to the other System campuses for review.
7. The Vice Chancellor presents the NISP to the System Academic Council (SAC) for review and discussion.

8. The NISP is adjusted, as necessary, approved by the President, and recommended to the Chancellor for review and recommendation to the Board of Trustees.

9. The Vice Chancellor presents the NISP as an action item to the Academic Affairs, Student Affairs, and Planning Committee for its review, approval, and recommendation to the Board for authorization to submit it to the Alabama Commission on Higher Education (ACHE).

10. Following the Board’s approval, the Vice Chancellor sends the NISP to ACHE for review.

11. The originating campus sends undergraduate program NISPs to the Chief Academic Officers of the other senior institutions in the state. NISPs for graduate programs are sent to the Graduate Deans.

12. After two months the full Program Proposal may be submitted to ACHE.

B. Program Proposal

1. The faculty develops a full program proposal. (For undergraduate programs please see Attachment B; for graduate programs please see Attachment C).

2. Campus committees review the proposal.

3. The Provost/Vice President for Academic Affairs reviews the proposal.

4. The President approves the proposal and forwards it to the Chancellor for review.

5. The Vice Chancellor for Academic and Student Affairs reviews the proposal, which will ordinarily include a meeting with the provost, program administrator, and the lead faculty member(s).

6. The System Office sends the proposal to the other System campuses for review.

7. The Vice Chancellor presents the proposal to the SAC for review and discussion.
8. The proposal is adjusted, as necessary, approved by the President, and recommended to the Chancellor for review and recommendation to the Board of Trustees.

9. The Vice Chancellor presents the full proposal as an action item to the Academic Affairs, Student Affairs, and Planning Committee for its review, approval, and recommendation to the Board for authorization to submit it to ACHE with a recommendation for ACHE approval. In addition to program information, the proposal includes the summary sheet required by ACHE that contains budget information, enrollment projections, and degree completion projections.

10. Following the Board’s approval, the Vice Chancellor sends the proposal to ACHE for its review and approval. (At least two months after the NISP has been submitted.)

11. The originating campus sends a copy of any undergraduate program proposal to the Chief Academic Officer of the other senior institutions in the state. A copy of any graduate program proposal is sent to the Council of Graduate Deans.

12. With ACHE approval, the proposal is sent to the Board of Trustees for final review and approval. Following Board approval, the campus then implements the program.

13. If ACHE fails to approve the proposal, the Board may then choose to revise the proposal and resubmit it to ACHE, approve the proposal, or discontinue consideration of the proposal.

III. The Guidelines for Establishing a New Certificate Program

Certificate programs require Board action if they are 30 or more undergraduate hours, or 18 or more graduate hours in length. A certificate program with less than the above criteria should meet individual campus guidelines and be presented to the Board as an information item.

1. The faculty develops a program proposal.

2. Campus committees review the proposal.

3. The Provost/Vice President for Academic Affairs reviews the proposal.
4. The President approves the proposal and it is forwarded to the Chancellor for review.

5. The Vice Chancellor for Academic and Student Affairs reviews the proposal.

6. The System Office sends the proposal to the other System campuses for review.

7. The Vice Chancellor presents the proposal to the SAC for review and discussion.

8. The proposal is adjusted, as necessary, approved by the President, and recommended to the Chancellor for review and recommendation to the Board of Trustees.

9. The Vice Chancellor presents the full proposal as an action item to the Academic Affairs, Student Affairs, and Planning Committee for its review, approval, and recommendation to the Board of Trustees.

10. Following Board approval, the Vice Chancellor notifies ACHE, as an information item, of the Board’s approval of the certificate program.

(Adopted October 15, 1986; Amended June 28, 1993; Revised November 1, 1996, May 7, 1999, April 21, 2000, February 15, 2002; Amended November 14, 2008.)
ALABAMA COMMISSION ON HIGHER EDUCATION

NOTIFICATION OF INTENT TO SUBMIT A PROPOSAL (NISP)
FOR A NEW PROGRAM OF INSTRUCTION

1. Institution:

2. Date of NISP Submission:

3. Institutional Contact Person:
   Telephone:    Fax:    E-mail:

4. Program Identification:
   Title:      Award:  CIP Code:

5. Proposed Program Implementation Date:

6. Statement of Program Objectives (Objectives should be precise and stated in such a way that later evaluation/assessment of program outcomes is facilitated.):

7. Relationship of program to other programs within the institution.
   7.1 How will the program support or be supported by other programs within the institution?
   7.2 Will this program replace any existing program(s) or specialization(s), options or concentrations within existing programs?    Yes:___    No:___
   If yes, please explain.

8. If this program is duplicative of any other programs in the state, please give your rationale for program duplication.

9. Do you plan to explore possible program collaboration with other institutions? Please explain.

10. Do you anticipate the use of distance education technology in the delivery of the program? Please explain.
11. What methodology will you use to determine the level of student demand for this program?

12. What methodology will you use to determine need for this program?

Certification:

_________________________________
Chief Academic Officer

_________________________________
Graduate Dean (if this is a graduate program)

_________________________________
Date
ALABAMA COMMISSION ON HIGHER EDUCATION

PROPOSAL FOR A NEW BACCALAUREATE DEGREE PROGRAM

A. General Information

1. Institution:

2. Date of Proposal Submission:

3. Institutional Contact Person:
   Telephone: Fax: E-mail:

4. Program Identification
   Title: Degree: CIP Code:

5. Proposed Program Implementation Date:

6. Program Administration
   College or School: Dean:
   Department: Chairperson:

B. Program Objectives and Content

1. List the objectives of the program as precisely as possible. The objectives should address specific needs the program will meet (institutional and societal) and the expected student learning outcomes and achievements. This is an extremely important part of the proposal. The objectives should lend themselves to subsequent review and assessment of program accomplishments.

2. How will this program be related to other programs at your institution?
3. Please identify any existing program, option, concentration or track that this program will replace.

4. Is it likely that this program will reduce enrollments in other programs at your institution? If so, please explain.

5. List new courses that will be added to your curriculum specifically for this program. Indicate number, title and credit hour value for each course.

6. Program Completion Requirements
   Credit hours required in major:
   Credit hours required in minor (if applicable):
   Credit hours in institutional general education or core curriculum:
   Credit hours in required or free electives:
   Total credit hours required for completion:

   Describe any additional requirements such as comprehensive examination, senior thesis or other capstone experience, practicum or internship, some of which may carry credit hours included in the list above.

   Please attach a typical four-year curriculum by semester to this proposal as Appendix A.

7. Accreditation

   If there is a recognized (USDE or CHEA) specialized accreditation agency for this program, please identify the agency and explain why you do or do not plan to seek accreditation.

C. Program Admissions Requirements, Enrollment Projections and Completion Projections

1. Describe briefly the criteria and screening process that will be used to select students for the program.

2. Please describe your methodology for determining enrollment projections. If a survey of student interest was conducted, please attach a copy of the survey instrument with a summary of results as Appendix B.
3. Provide a realistic estimate of enrollment at the time of program implementation and over a five-year period based on the availability of students meeting the criteria stated above.

<table>
<thead>
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<th>Year 1</th>
<th>Year 2</th>
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4. Projected Program Completion Rates.

Please indicate the projected number of program graduates for the first five years.

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<th>Year 1</th>
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<th>Year 5</th>
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D. Program Need Justification

1. Will the program satisfy a clearly documented need (institutional and societal) in an effective and efficient manner? If the program duplicates or closely resembles another program already offered in the State, can this duplication be justified? What characteristics of the identified need require that it be met by a new program rather than an existing program? (Note: In explaining how the proposed program meets this criterion, an institution may refer to the criterion on collaboration and develop a response that addresses both criteria simultaneously). For purposes of this criterion, duplication is defined as the same or similar six-digit CIP code and award level in the Commission's academic program inventory. Institutions should consult with the Commission staff during the NISP phase of proposal development to determine what existing programs are considered duplicative of the proposed program.

2. Based on your research on the employment market for graduates of this program, please indicate the total projected job openings (including both growth and replacement demands) in your local area, the state, the SREB region, and the nation. These job openings should represent positions that require graduation from a program such as the one proposed.

**Projected Job Openings**

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<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<td>Local</td>
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<td>SREB</td>
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<tr>
<td>Nation</td>
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</table>
3. Please give a brief description of the methodology used to determine the projected job openings. If a survey of employment needs was used, please attach a copy of the survey instrument with a summary of results as Appendix C.

4. If the program is primarily intended to meet needs other than employment needs, please present a brief rationale.

5. If similar programs are available at other institutions in the state, will any type of program collaboration be utilized? Why or why not? What specific efforts have been made to collaborate with institutions to meet the need for this program? Address qualitative, cost, and access considerations of any collaboration that was considered.

6. Will any type of distance education technology be utilized in the delivery of the program on your main campus or to remote sites? If not, why? Address the quality, access and cost considerations of using distance technology in the program.

E. Program Resource Requirements

1. Number of currently employed qualified faculty who will teach in the program:

   Primary Faculty – Full-time: Part-time:
   Support Faculty – Full-time: Part-time:

   Please attach a synopsis of the qualifications (degrees, experience, etc.) of each existing faculty member to this proposal as Appendix D. Do not attach entire curriculum vitae. This should be no more than one paragraph per faculty.

2. Number of additional qualified faculty who will be employed to teach in the program during the first five years:

   Primary Faculty – Full-time: Part-time:
   Support Faculty – Full-time: Part-time:

3. Briefly describe the qualifications of new faculty to be hired.

4. Briefly describe available and additional support staff that will be provided for the program.
5. Describe any special equipment that is necessary for this program, indicating what is currently available and what would be added, including the cost of any additional equipment.

6. Describe facilities required for the program, indicating what is currently available and any necessary renovations or additional facilities that would be added. Provide a cost estimate for any renovations or additions.

7. Using the Collection Assessment Manual of the Network of Alabama Academic Libraries (NAAL), provide an indication of the current status of the library collections supporting the proposed program. Please describe how any deficiencies will be remedied, including the cost of such remedies.

F. Costs and Financial Support of the Program

Provide a realistic estimate of the costs of the program. This should only include the additional costs that will be incurred, not current costs. All sources and amounts of funds for program support should be indicated.

Estimated New Funds Required to Support the Program

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*Additional faculty salaries should be shown in all five years

Sources and Amounts of Funds Available for Program Support

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<td>Tuition</td>
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</tbody>
</table>
G. Institutional Program Evaluation and Approval Process

Please describe the process used by your institution in its internal evaluation and approval of this program.

H. Program Review and Assessment

Approval of this program will be on the basis of certain program outcomes agreed upon by the institution and the Commission. The outcomes will be based on the stated objectives of the program and enrollment and productivity projections. In the final analysis, the institution and its governing board are accountable for the quality, utility and productivity of this and all other programs of instruction. With this in mind, please describe the procedures that will be used in assessing program outcomes. Among other things, include an assessment process for student learning outcomes and a follow-up plan to determine accomplishments of graduates such as obtaining relevant employment or being admitted to graduate or professional programs.

I. The University of Alabama System Outline for New Program Proposal (Supplement)

In addition to the items ACHE has requested for program proposals, please include the following additional items when developing and submitting academic program proposals to the System Office and the Board of Trustees for approval.

1. Executive Summary (not to exceed two pages)
2. Steps taken to determine if other UA System institutions might be interested in collaborating in the program
3. Desegregation impact statement
4. Summary of consultant's comments (if any)
5. Summary of other campuses' comments (if any)
6. Other pertinent information as needed (if any)
ALABAMA COMMISSION ON HIGHER EDUCATION

PROPOSAL FOR A NEW GRADUATE DEGREE PROGRAM

A. General Information

1. Institution:

2. Date of Proposal Submission:

3. Institutional Contact Person:
   Telephone:   Fax:   E-mail:

4. Program Identification
   Title:    Degree:  CIP Code:

5. Proposed Program Implementation Date:

6. Program Administration
   College or School:   Dean:
   Department:   Chairperson:

B. Program Objectives and Content

1. List the objectives of the program as precisely as possible. The objectives should address specific needs the program will meet (institutional and societal) and the expected student learning outcomes and achievements. This is an extremely important part of the proposal. The objectives should lend themselves to subsequent review and assessment of program accomplishments.

2. Will this program be related to other graduate programs at your institution? If so, how?

3. Please identify any existing program, option, concentration or track that this program will replace.
4. Is it likely that this program will reduce enrollments in other graduate programs at your institution? If so, please explain.

5. List new courses that will be added to your curriculum specifically for this program. Indicate number, title and credit hour value for each course.

6. Please list any existing undergraduate programs at the institution which are directly or indirectly related to the proposed graduate program. If this is a doctoral proposal, also list related master's programs at your institution.

7. Program Completion Requirements--
   Credit hours required in major courses:
   Credit hours required in support courses:
   Credit hours in required or free electives:
   Credit hours for thesis or dissertation:

   Additional requirements such as preliminary qualifying examination, comprehensive examination, thesis, dissertation, practicum or internship, some of which may carry credit hours included in the list above.

   Please attach a typical curriculum by semester to this proposal as Appendix A.

8. Accreditation

   If there is a recognized (USDE or CHEA) specialized accreditation agency for this program, please identify the agency and explain why you do or not plan to seek accreditation.

C. Program Admissions Requirements, Enrollment Projections and Completion Projections

1. Describe briefly the criteria and screening process that will be used to select students for the program.

2. Please describe your methodology for determining enrollment projections. If a survey of student interest was conducted, please attach a copy of the survey instrument with a summary of results as Appendix B.

3. Provide a realistic estimate of enrollment at the time of program implementation and over a five-year period based on the availability of students meeting the criteria stated above.
### Projected Program Completion Rates.

Please indicate the projected number of program graduates for the first five years.

<table>
<thead>
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<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<th>Year 5</th>
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</table>

### Program Need Justification

1. Will the program satisfy a clearly documented need (institutional and societal) in an effective and efficient manner? If the program duplicates or closely resembles another program already offered in the State, can this duplication be justified? What characteristics of the identified need require that it be met by a new program rather than an existing program? *(Note: In explaining how the proposed program meets this criterion, an institution may refer to the criterion on collaboration and develop a response that addresses both criteria simultaneously).* For purposes of this criterion, duplication is defined as the same or similar six-digit CIP code and award level in the Commission's academic program inventory. Institutions should consult with the Commission staff during the NISP phase of proposal development to determine what existing programs are considered duplicative of the proposed program.

2. Based on your research on the employment market for graduates of this program, please indicate the total projected job openings (including both growth and replacement demands) in your local area, the state, the SREB region, and the nation. These job openings should represent positions that require graduation from a program such as the one proposed.

#### Projected Job Openings

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<tr>
<th></th>
<th>Year 1</th>
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<th>Year 3</th>
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<td>Local</td>
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<td>SREB</td>
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<td>Nation</td>
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</table>
3. Please give a brief description of the methodology used to determine the projected job openings. If a survey of employment needs was used, please attach a copy of the survey instrument with a summary of results as Appendix C.

4. If the program is primarily intended to meet needs other than employment needs, please present a brief rationale.

5. If similar programs are available at other institutions in the state, will any type of program collaboration be utilized? Why or why not? What specific efforts have been made to collaborate with institutions to meet the need for this program? Address qualitative, cost, and access considerations of any collaboration that was considered.

6. Please identify any similar programs at institutions in other SREB states. If the proposal is for a doctoral program, also identify similar programs in the nation.

7. Will any type of distance education technology be utilized in the delivery of the program on your main campus or to remote sites? If not, why? Address the quality, access and cost considerations of using distance technology in the program.

E. Program Resource Requirements

1. Number of currently employed qualified faculty who will teach in the program:

   Primary Faculty – Full-time: Part-time:
   Support Faculty – Full-time: Part-time:

   Please attach the curriculum vita of each existing faculty member to this proposal as Appendix D.

2. Number of additional qualified faculty who will be employed to teach in the program during the first five years:

   Primary Faculty – Full-time: Part-time:
   Support Faculty – Full-time: Part-time:

3. Briefly describe the qualifications of new faculty to be hired.

4. Briefly describe available and additional support staff that will be provided for the program.
5. Describe any special equipment that is necessary for this program, indicating what is currently available and what would be added, including the cost of any additional equipment.

6. Describe facilities required for the program, indicating what is currently available and any necessary renovations or additional facilities that would be added. Provide a cost estimate for any renovations or additions.

7. Using the Collection Assessment Manual of the Network of Alabama Academic Libraries (NAAL), provide an indication of the current status of the library collections supporting the proposed program. Please describe how any deficiencies will be remedied, including the cost of such remedies.

8. How many assistantship/fellowship stipends will be provided and what will be the range of support involved?

F. Costs and Financial Support of the Program

Provide a realistic estimate of the costs of the program. This should only include the additional costs that will be incurred, not current costs. All sources and amounts of funds for program support should be indicated.

<table>
<thead>
<tr>
<th>Estimated New Funds Required to Support the Program</th>
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<td>Year 1</td>
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<td>Faculty*</td>
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<td>Staff</td>
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<tr>
<td>Assistantships/ Fellowships</td>
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<td>Other</td>
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<td>Total</td>
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*Additional faculty salaries should be shown in all five years
Sources and Amounts of Funds Available for Program Support

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<tr>
<th>Internal Reallocation</th>
<th>Year 1</th>
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*Attach a statement identifying actual or probable sources of extramural funds for the program as Appendix E. Be as specific as possible.

G. Institutional Program Evaluation and Approval Process

1. Please describe the process used by your institution in its internal evaluation and approval of this program.

2. It is expected that the institution will utilize one or more external consultants for all doctoral program proposals and the more esoteric or unusual master’s programs. Please attach the consultant’s report as Appendix F.

H. Program Review and Assessment

Approval of this program will be on the basis of certain program outcomes agreed upon by the institution and the Commission. The outcomes will be based on the stated objectives of the program and enrollment and productivity projections. In the final analysis, the institution and its governing board are accountable for the quality, utility and productivity of this and all other programs of instruction. With this in mind, please describe the procedures that will be used in assessing program outcomes. Among other things, include an assessment process for student learning outcomes and a follow-up plan to determine accomplishments of graduates such as obtaining relevant employment or being admitted to a doctoral program.

I. The University of Alabama System Outline for New Program Proposal (Supplement)

In addition to the items ACHE has requested for program proposals, please include the following additional items when developing and submitting academic program proposals to the System Office and the Board of Trustees for approval.

1. Executive Summary (not to exceed two pages)

2. Steps taken to determine if other UA System institutions might be interested in collaborating in the program
3. Desegregation impact statement
4. Summary of consultant's comments (if any)
5. Summary of other campuses' comments (if any)
6. Other pertinent information as needed (if any)
503. Academic, Research, Service, and Administrative Units

I. Policy Statements

A. The establishment of new academic, research, service, and administrative units, including but not limited to, departments, divisions, schools, colleges, centers, and institutes, must be submitted for review and approval to the Chancellor and the Board of Trustees.

B. The institutions of The University of Alabama System are required to submit requests for new academic, research, service, and administrative units to the Chancellor for review and approval. Upon the recommendation of the Chancellor, the new academic, research, service, and administrative units request will be submitted to The Board of Trustees for final approval.

C. The institution must notify the Board, as an approval item, of any internal changes that are reasonable extensions or alterations of existing academic, research, service, and administrative units including organizational changes.

II. Guidelines for Establishing a New Center or Institute

A. Definition

A center or institute focuses and concentrates efforts, usually multidisciplinary in nature, toward meeting a specialized need or dealing with a current issue. Most centers and institutes provide an umbrella organization for efforts directed toward a common goal. Some provide a central, visible focal point to enable individuals from the state and community to take advantage of the research and service opportunities of the University.

B. Types of Centers or Institutes

A center or institute falls into one of the following two categories based on the primary purpose of its program:

1. Instruction or research centers and institutes have, as a major focus, activities related to the instruction of students or the conduct of research.

2. Service centers and institutes have a major focus on activities related to the dissemination of information or the provision of service to the community.

C. Criteria

A proposed center or institute must meet the following three criteria and would be submitted to the President, to the Chancellor, and then to the Board of Trustees.
1. **Purpose**
   A clearly defined purpose directly related to the role and scope and the instructional, research, and/or service programs of the campus.

2. **Resources**
   An annual budget showing source of funds along with an indication that there are sufficient human and physical resources to achieve the center’s or institute’s purpose.

3. **Organization**
   The proposed center or institute must identify a director, show the internal reporting relationship, and have a structure that enables the center to apply for, and receive, external funding such as grants and contracts.

D. **Steps for Obtaining Approval**
1. Development of a written proposal based on the criteria in this guideline.
2. Review and approval at the campus level through a process approved by the President.
3. Review and approval by the Chancellor.
4. Review and approval by the Board of Trustees.
5. Each center and institute must be reviewed periodically. The campus will establish the schedule and parameters of the reviews and submit them to the System’s Office of Academic Affairs.

E. Annually a list will be submitted to each campus by the System’s Office of Academic Affairs for verification of each center’s or institute’s status and leadership.

III. **Guidelines for Establishing a New Academic Unit**

A. **Definition**
   New academic units include, but are not limited to, departments, divisions, schools, and colleges.

B. **Types of Academic Units**
   An academic unit falls into one of the following:
   1. **Department**
      An instructional unit encompassing a discrete branch of study; usually located within a division and/or a school or college. The department is usually a less inclusive unit than a division, although this is not always the case.
2. **Division**
   An instructional unit which usually includes two or more academic departments representing allied fields of study. (For example, a Division of Natural Sciences might include departments of biology, chemistry, physics and geology). Usually, but not always, a division is a more prominent entity than a department. (Some institutions identify the department as the more inclusive unit. In such cases, the department might include several divisions.)

3. **School**
   An instructional unit within an institution of higher education which usually encompasses a professional discipline such as medicine, engineering, education, etc. and which often includes several academic divisions and/or departments. A school is usually under the administration of a dean or director. Often, though not always, a school is less inclusive than a college.

4. **College**
   An instructional unit within a university that usually includes several academic divisions and/or departments and is usually administered by a dean. Often, though not always, a college is a more prominent or inclusive unit than a school. As used here, the term “college” does not pertain to separate institutions known as colleges, such as junior college, community college, technical college, or Athens State College.

C. **Criteria**
   A proposed new academic unit must meet the following three criteria and would be submitted to the President, to the Chancellor, and then to the Board of Trustees.

1. **Purpose**
   A clearly defined purpose directly related to the role and scope and the instructional, research, and/or service programs of the campus.

2. **Resources**
   An annual budget showing source of funds along with an indication that there are sufficient human and physical resources to achieve the academic unit’s purpose.

3. **Organization**
   The proposed academic unit must identify an administrative head, show the internal reporting relationship, and have a structure that enables the unit to effectively achieve its purpose.
D. **Steps for Obtaining Approval**
   1. Development of a written proposal based on the criteria in this guideline.
   2. Review and approval at the campus level through a process approved by the President.
   3. Review and approval by the Chancellor.
   4. Review and approval by the Board of Trustees.
   5. Each academic unit must be reviewed periodically. The campus will establish the schedule and parameters of the reviews and submit them to the System’s Office of Academic Affairs.

IV. **Guidelines for Changes to Existing Academic, Research, Service, & Administrative Units**

   A. When an extension, expansion, or other substantial alteration or termination, closure, or deletion of an existing unit (academic, research, service, and administrative, including departments, divisions, schools, colleges, centers, and institutes) is proposed, the president of the institution shall notify the Chancellor before the action is taken.

   B. The notification of the termination, deletion, or closure of a unit shall include the following information in its supporting materials:

      1. The purpose of the unit.
      2. The reasons for termination, closure, or deletion.
      3. A description of all funding for, property of, and individuals employed in the unit and the proposed disposition of the funding, property, and employees.

   C. The Chancellor shall recommend to The Board of Trustees the disposition of the proposed action.

(Adopted June 17, 1987 as Board Rule 517; amended and renumbered December 5, 1997; amended May 7, 1999; November 19, 1999.)
504. **Review of Existing Academic Programs**

I. **Policy Statements**

The Board of Trustees requires the institutions of The University of Alabama System periodically to review and evaluate all programs of instruction, research, and service.

The review and evaluation results must be submitted to the Chancellor’s Office as an Executive Summary.

II. **Guidelines for the Review of Existing Programs**

A. **Objectives**

1. The major value of any program review process derives from the degree of self-evaluation, which a serious review catalyzes and promotes. The purpose of this process is to provide for a formal, systematic review of the many programs being offered under the auspices of the campuses. The intent is not to duplicate or supplant the program reviews conducted by various professional accrediting agencies (such as exist in Business, Education, and others), but rather to provide a means for internal review free from the specific goals and constraints of such external reviews. Every effort will be made, however, to coordinate internal and external reviews in order to avoid duplication of data collection.

2. More specifically, the aim of the review of existing programs is to raise the quality of education in The University of Alabama System through:

   a) Acting as a catalyst for self-evaluation and self-improvement by the faculty in specific program areas;

   b) Identifying concerns and problems common throughout the university and those unique to specific programs;

   c) Identifying strengths and weaknesses in the University’s overall programs, examining alternatives for correcting and eliminating deficiencies, and making recommendations to the appropriate campus and System authorities.
B. **Review Procedures**

1. The administrative responsibility for the review process on each campus shall be that of the Provost/Vice President for Academic Affairs. The responsibility for coordinating the review process for the System is assigned to the Vice Chancellor for Academic and Student Affairs.

2. The review of programs will be guided by three major principles:

   a) Improvement of education can be fostered most effectively by collecting and reviewing essential information about the program under review;

   b) Similar disciplines on a campus should be reviewed at the same time whenever possible; and

   c) All of the university's programs selected for review should be subject to comparable procedures, including a common format for the collection of information, and considered in accordance with the approved purposes of the program and the mission, role, and scope of the campus.

3. It is the responsibility of the Provost/Vice President for Academic Affairs to provide the Vice Chancellor for Academic and Student Affairs a description of the academic program review process for his/her campus.

4. Upon completion of each program review, an Executive Summary shall be forwarded to the Vice Chancellor for Academic and Student Affairs by the Provost/Vice President for Academic Affairs.

(Adopted September 17, 1980 as Rule 520; revised November 1, 1996; amended and renumbered December 5, 1997; amended November 14, 2008.)
Changes in Academic Program Status

I. Policy Statement

The institutions of The University of Alabama System are responsible for submitting to the Chancellor plans regarding any changes in the status of an approved program. Such changes may include, but are not limited to, deactivation, reactivation, changes in delivery method, extensions, and alterations.

II. Guidelines for Placing an Academic Program on Inactive Status

A. Academic programs, including degrees and certificates, may be placed on “inactive status” by an institution of The University of Alabama System. A campus should follow the steps below when it is necessary to place a program on “inactive status.”

1. The President should notify the Chancellor in writing of the institution’s decision to place a program on inactive status.

2. With the letter of notification, the following information should be submitted:
   a) a statement summarizing the reason(s) the program is to be placed on inactive status;
   b) a brief statement on the procedure for handling program completions for any students in the program;
   c) a statement of any planning and assessment activities that will take place while the program is on inactive status; and
   d) date inactive status will go into effect.

B. After System Office review and approval, the institution’s plans to place the program on inactive status will be presented to the Board of Trustees as an information item.

C. Notice to the Alabama Commission on Higher Education (ACHE) will be provided by the System’s Office of Academic and Student Affairs.

D. Programs that remain on inactive status for a period of five years without being reactivated will automatically be discontinued.

III. Guidelines for Reactivating an Academic Program

A. Academic programs, including degrees and certificates, may be placed on “inactive status” by an institution of The University of Alabama
System. A campus should follow the steps below when it is desirable to “reactivate” a program.

1. The President should notify the Chancellor in writing regarding the intended reactivation.

2. With the letter of intent, the following information should be included:
   
a) a brief statement summarizing the reason(s) and date the program was placed on inactive status;
   
b) a statement indicating institutional and other conditions that have changed to warrant reactivation of the program;
   
c) a statement indicating the faculty and administrative review processes followed to consider the program for reactivation;
   
d) a statement on any programmatic improvements that would be implemented when the program is reactivated;
   
e) a copy of reports from consultants or outside reviewers, if either were used in the review process;
   
f) based on stated goals and objectives, a statement on the methods and timetable to be used to evaluate the effectiveness of the program; and
   
g) date of intended reactivation startup.

B. After System Office review and approval, the institution’s plans to reactivate the program will be presented to the Board of Trustees as an information item.

C. Notice to the Alabama Commission on Higher Education will be provided by the System’s Office of Academic and Student Affairs.

IV. Guidelines for Terminating an Academic Program

A. The Chancellor should be notified in writing regarding the intended termination.

B. After System Office review and approval, the institution’s plan to terminate the program will be presented to the Board of Trustees as an information item.

C. Notice to the Alabama Commission on Higher Education will be provided by the System’s Office of Academic and Student Affairs.

(Adopted December 5, 1997, Revised May 7, 1999; November 14, 2008.)
Cooperative, Joint, And Shared Degree Programs

I. Policy Statement

A. The Board of Trustees encourages the institutions of The University of Alabama System to make efficient use of system-wide resources. To that end, efforts at collaboration and sharing, including cooperative, joint, and shared programs, must be explored at the campus and System levels whenever a new degree program of instruction is considered.

B. All new degree programs, including cooperative, joint, and shared programs must be approved by the Board of Trustees prior to implementation.

II. Guidelines for Cooperative Programs

A. Definition

A cooperative program is under the sponsorship of a single institution (identified as the primary institution) but contains elements of resource sharing agreed upon by one or more other institutions (the secondary institution(s)). The administrative control of such a program and commitment for maintaining the resources necessary to support it are the responsibility of the primary institution. The degree is granted under the seal of that institution and the program will be identified in the Alabama Commission on Higher Education’s (ACHE) Academic Program Inventory for that institution only. The program is so designed that in the event the elements contributed by the secondary institution(s) are discontinued, the basic strength of the program will not be damaged seriously and the institution administering the program will be able to continue to do so with few or no additional resources.

B. A student will be admitted to the primary institution according to its program admission requirements.

C. For cooperative programs requiring a thesis or dissertation, the major professor/thesis chairperson and the majority of the committee will be from the primary institution.

D. A student may take courses listed in the program of study from either institution with permission of the major professor.

E. Each institution accepts the faculty appointments of the other campus without the necessity for re-evaluation.

F. A student must satisfy all degree requirements according to the primary institution’s guidelines.
G. Any issues requiring attention or resolution will be considered by the appropriate department chairs and dean(s).

H. Any residency requirement for the program may be satisfied by a student being a resident on either campus.

I. Each cooperative program must be reviewed periodically. The primary institution will establish the schedule and parameters of the reviews and submit them to the System’s Office of Academic Affairs. The results of each review are to be reported to the Presidents and the Chancellor.

III. Guidelines for Development of a Joint/Shared Program Proposal

A. Definitions

1. A joint program is one that is mutually sponsored by two or more campuses, leading to a single degree that is conferred by all participating institutions.

2. A shared program is mutually sponsored by two or more institutions and benefits from their collaborative efforts. However, withdrawal of one or more partners does not preclude the continuation of an independently sponsored program (i.e. the program is not automatically terminated).

B. When there is an interest in a new program by one or more campuses in The University of Alabama System, the question of whether a joint program is desirable must be considered by the System Academic Council (SAC). Recommendations by the SAC on joint programs are considered by the Presidents of the affected campuses.

C. Among the factors to be considered in determining whether a program should be joint are the mission and role of the campuses in question, student demand, potential benefits to the region, and the quality and quantity of the faculty and other learning resources to support the program.

D. When it is agreed that a proposal for a joint program should be developed, it is the responsibility of each campus involved in the program to choose a representative to take responsibility for assuring that the proposal follows campus and System guidelines.

E. The SAC must review all completed proposals for joint programs to ensure that the appropriate guidelines and procedures have been followed. Following that review the proposal goes back to the Presidents of the campuses sponsoring the program. When the Presidents are satisfied with the proposal, it is forwarded to the Chancellor.
F. If the Chancellor concurs, the proposal for a joint program will be presented to the Board of Trustees and the Alabama Commission on Higher Education in the same order and following the same procedures as other proposals for new programs. (See guidelines for new program approval.)

G. The joint program is so designed that its viability is dependent upon the shared resources of the participating institutions. In the event one or more of the participating institutions cannot meet its commitments and responsibilities, the program would be terminated. Shared programs benefit from, but are not totally dependent on, the collaborative effort. Therefore, withdrawal of one collaborating institution does not automatically terminate the program.

IV. Guidelines for the Operation of Joint/Shared Programs

A. A joint/shared program in The University of Alabama System has the same requirements for each student, regardless of the campus where he or she is enrolled. That includes but is not limited to standardized entrance requirements, minimum course and hour requirements, and program examinations (such as qualifying examinations for the Ph.D. degree).

B. Qualified faculty from each of the campuses participating in the program are included in the program faculty. Rules for appointment to the program faculty are established for each program. The procedure for selection of new program faculty must include the other program faculty members. However, the primary departmental affiliation and appointment of the individual faculty members, along with determination of tenure, promotion, and salary, remains at the campus level. Program faculty members are granted appropriate status to allow for full participation in the degree program at those campuses where they do not already hold an appointment.

C. The program description sets forth some specific procedures and processes making it possible for students to take courses or do research on other campuses. These may differ depending on the type and level of program.

D. The faculty and students in the program meet together at least twice each academic year. Seminars, conferences, and other meetings for this purpose are encouraged.

E. For joint/shared doctoral programs that require a thesis or dissertation, the thesis or dissertation committee of each student must include at least one faculty member from each campus.

F. Each program has a director, who is chosen from among the program faculty, appointed by his/her campus President, and reported to the Chancellor. Each program also has a coordinating committee composed of
an equal number of faculty representatives from each campus participating in the program. The coordinating committee is chaired by the director, and meets at least once each academic term to consider plans, policies, and administrative matters. If further administrative action is required, the director consults with the appropriate deans, and, if necessary, the provost on his/her campus. The provost may bring the matter to the Vice Chancellor for Academic and Student Affairs and the System Academic Council for discussion.

G. Depending on the size and complexity of the program, special arrangements may be made to provide release time, clerical assistance, a travel allowance, or other expenses for the program director. In this case the costs are to be shared among the campuses in the program.

H. Each student successfully meeting all of the program requirements will receive a degree that is designed for the program and that is the same regardless of the home campus of the student.

I. Each joint/shared program must be reviewed periodically. The coordinating committee will establish the schedule and parameters of the reviews and submit them to the System’s Office of Academic and Student Affairs. The results of each review are to be reported to the Presidents and the Chancellor.

(Adopted December 5, 1997; amended May 7, 1999; November 14, 2008.)
507. **Academic Program Planning**

I. **Policy Statements**

A. The President of each institution shall have the primary responsibility for developing and implementing the academic program planning process for his/her campus.

B. A three-year academic program planning document will be presented annually to the Board for its review.

C. Guidelines for the submission and review of the Academic Program Planning document are developed and administered by the System’s Office of Academic Affairs.

II. **Planning Process Guidelines**

A. Each institution shall submit annually a three-year academic program planning document to the Chancellor.

B. The Vice Chancellor will review the institutions’ individual planning documents and compile them into a System Academic Program Planning document.

C. Upon the Chancellor’s recommendation, the System Academic Program Planning document will be presented to the Board.

D. The planning document shall include the following sections:

1. **New programs being planned**
   
   a) Projected year to be submitted
   b) Six-digit CIP Code
   c) Degree
   d) Title
   e) Description
   f) Role Change?
   g) UAS Category
   h) Status of intended new program:
      i) A = Proposal has been approved by ACHE and is awaiting review and final approval by the Board of Trustees.
B = Proposal is at ACHE and is awaiting review and approval.

C = Proposal has completed campus and System reviews and is ready for consideration by the Board of Trustees and ACHE.

D = Proposal is expected to be completed by the campus and submitted for System review within the next 12 months.

E = Proposal is under development, but is not likely to complete campus review in the next 12 months.

F = Program NISP has been sent to ACHE.

G = Program NISP has been sent to the Board of Trustees.

H = Program is still in the early planning stages. It has not been reviewed by the campus and appearance on the list is merely an indication that the possibility of a program is being considered.

NOTE: Proposals for name changes (i.e. Ed.D. to Ph.D.). These shall require a proposal and Board action, but they are not equivalent to development of a degree in a new area or at an entirely new level.

2. Other planning initiatives of the institution, such as those listed below:

   a) Academic structure changes
   b) New academic structures, such as colleges, departments, units, etc.
   c) Major outreach initiatives
   d) Major admission changes
   e) Major changes that will affect educational programs, faculty, and/or the student body

(Adopted December 5, 1997; amended May 7, 1999; November 14, 2008.)
Establishment of Academic Chairs, Professorships, and Endowed Lectureships and the Designation of Holders of Academic Chairs and Professorships

I. Policy Statements

A. In order to maintain uniformity and the highest degree of prestige and selectivity, the establishment of new Academic Chairs, Professorships, and Endowed Lectureships must be submitted for review and approval to the Chancellor and the Board of Trustees.

B. The institutions of The University of Alabama System are required to submit for review and approval any nomination of a holder of a Professorship or Academic Chair to the Chancellor. Upon the approval of the Chancellor, the nomination will be submitted to the Board of Trustees for final approval.

C. System and institution procedures for appointment to endowed chairs and endowed professorships require the approval of the Board of Trustees.

II. Guidelines for Obtaining Approval of an Academic Chair, Endowed Professorship, or Endowed Lectureship

A. After the required level of the funding for the academic chair, endowed professorship, or endowed lectureship has been received by the institution, the President sends a request for the establishment to the Chancellor.

B. The Chancellor will make a decision as to the disposition of the request and may choose to forward it to the Board or ask for additional information.

C. If the Chancellor recommends approval of establishing the academic chair, endowed professorship, or endowed lectureship, the Academic Affairs, Student Affairs, and Planning Committee will be provided a copy of the information. The Committee will then make a recommendation to the full Board.

D. Academic chairs, endowed professorships, and endowed lectureships are officially recognized only after being approved by the Board.

III. Guidelines for Designating a Holder of an Academic Chair or Endowed Professorship

A. Within a University, selection procedures may differ among schools, colleges, division, or departments, as necessary to conform to the practices and customs of particular academic disciplines or professions.

B. The University of Alabama System guidelines are intended as a framework within which the institutions may develop individual processes and procedures to suit their special needs.
C. Where the funding for an endowment is tied to an administrative appointment, the search process for the administrative appointment must include consideration of the endowed chair or endowed professorship.

D. The process for filling an endowed chair or endowed professorship shall include a comprehensive search to identify and recruit candidates who can make the greatest contributions to the institutions.

E. In reviewing the credentials of endowed chair candidates, outside peers shall be consulted. Peer reviewers may include, but not be limited to, those suggested by the candidates.

F. The selection process shall include provisions for direct input from faculty members of the academic department(s) in which the chair resides.

G. When an institution has completed a search and wishes to nominate a person for appointment by the Board, a recommendation will be forwarded by the President to the Chancellor along with an outline of the steps followed in the search process, a list of search committee members, a copy of the nominee's curriculum vitae, and written evaluations by outside peers.

H. The Chancellor will make a decision as to the disposition of the recommendation and may then choose to forward it to the Board, ask for additional information, or request that the institution renew the search process.

I. If the Chancellor recommends appointment of the nominee, the Academic Affairs and Planning Committee of the Board will be provided with a copy of the candidate's curriculum vitae and a supporting letter from the institution administration, which shall include a short summary of the reasons for nominating this individual. The Committee will also be given an opportunity to ask questions of institution and System administrators concerning the suitability of the nominee for the endowed chair or endowed professorship position. The Academic Affairs, Student Affairs, and Planning Committee will then make a recommendation to the Board.

J. Appointments to endowed chairs and endowed professorships may be finalized only after approval by the Board of Trustees of the University of Alabama.

IV. Guidelines for Short-Term Appointments to Endowed Chairs

A. Definition

Chairs that have been authorized by the Board of Trustees to allow appointments of less than one (1) academic year (12 months) may be
established in order to accommodate the schedules of distinguished artists and scholars.

B. Guidelines

1. A short-term appointment to an endowed chair may be made with prior approval by the Chancellor.

2. The President of the campus on which the short-term appointment is located should forward to the Chancellor a request for approval of the candidate. The request must include the following information: the name of the individual; the term of the appointment; a summary of the terms of the contract; and where and what the individual’s permanent position is.

3. The Chancellor shall notify the President when approval is given for an appointment.

4. An annual report will be presented to the Board of Trustees on the short-term appointments to endowed chairs for that academic year.

V. Guidelines for Appointments to Professorships

The Board recognizes the following classifications of university professorships:

A. University of Alabama Trustee Professor

1. A System-wide appointment limited in number, recognizing preeminent distinction and service to the System, and exclusively under the control of the Board.

2. In making such appointments, the Board will consult with the Chancellor, Presidents, and appropriate faculty groups on all campuses.

B. Distinguished Professor

1. A campus-wide prestigious appointment, recognizing international accomplishments, to be limited in number, and to be recommended to the Board by the appropriate President and the Chancellor in order to confer richly deserved prestige and honor on those selected to receive this designation.

2. The following criteria will be used in determining the selection of a “Distinguished Professor”:

255
a) Accomplishments bringing great credit to the University.
b) Noteworthy academic service to the University as a teacher and/or research scientist and/or clinician.
c) International recognition for scholarly contribution to the individual’s chosen profession.
d) Outstanding performance of service associated with the individual’s professional position.
e) Numerous achievements and extensive peer recognition in the individual’s chosen profession or academic discipline.
f) Unstinting dedication to standards of excellence in all endeavors.
g) Exemplary character and integrity reflecting great honor upon the University.

3. Variations in this title may be used by a campus to denote specific functions such as “Distinguished Research Professor” or “Distinguished Service Professor.”

C. University Professor

1. A campus-wide appointment, primarily prestigious in a specific discipline, to be recommended to the Board by the appropriate President and the Chancellor, to bestow upon an individual an academic rank that transcends departmental and disciplinary lines, allowing each designated individual the greatest latitude in teaching, writing, and scholarly research, and that gives such an individual with broad expertise a university-wide platform.

2. The following criteria will be used in the selection of an individual to be designated “University Professor”:

   a. Scholarly achievement and intellectual maturity.
   b. Dedication to the highest standards of professional excellence.
   c. Numerous achievements and extensive peer recognition in the individual’s chosen professional field.
   d. Academic competence to enable him/her to undertake cross-departmental, cross-disciplinary activities in research and teaching, and university and community service.

Variations in this title may be used by a campus to denote specific functions such as “University Research Professor” or “University Service Professor.”

(Adopted July 16, 1980 as Rule 370; amended and renumbered December 5, 1997; amended November 14, 2008.)
509. **Patent Policy**

I. **Purpose**

In view of the far-reaching research on the various campuses of The Board of Trustees of The University of Alabama (hereinafter referred to as the University), it is inevitable that new discoveries and inventions will be made. The members of the Board of Trustees (hereinafter referred to as the Board) recognize the importance of obtaining the greatest public benefit and usefulness from the products of the University's scientific research and inventiveness, and that the protection and control provided under patent laws or other legal means for the protection of property rights may be necessary to obtain this goal. It is further recognized that employees of the University need assistance in determining and evaluating patentability and in prosecuting patent applications for or otherwise protecting inventions made by them. Furthermore, many such inventions involve equities beyond those of the inventor since the use of University facilities, the assignment of duties as a condition of employment, and the use of research funds with contractual obligations regarding patent rights give rise to questions concerning the rights and equities of all concerned. The purpose of this patent policy is to establish a mechanism to serve the public benefit and interest, to determine and apprise all concerned parties of relative rights and equities, to facilitate patent applications, the licensing of inventions, the equitable distribution of any royalties or other financial returns, to provide necessary uniformity in patent matters, and to provide for adequate reporting of patent activities.

II. **Policy and Procedure**

A. It shall be the policy of the Board to encourage the concept that patentable inventions produced at the University shall be used for the greatest possible public benefit and to provide every reasonable incentive to the faculty, students and staff for the disclosure, evaluation and dissemination of such inventions. When University support makes the research effort possible or when it provides support for the development of a patentable invention, it is reasonable for the University to participate in the fruits of such development, including reimbursement for its costs. To that end, the University encourages the procurement of patents for such inventions and the licensing or other commercialization thereof in the interest of the public, the inventor, and the University.

B. The President of each campus shall appoint an officer or Patent Committee or designate a non-profit organization established for the benefit of the campus to administer this policy. Each campus President may promulgate additional regulations and guidelines pursuant to this Policy to administer this policy within his/her respective campus.
C. This patent policy of the University, as amended from time to time, shall be deemed to be a condition of employment and contractual obligation, both while employed and thereafter, of every employee of each campus, including student employees, and a condition of enrollment and attendance and contractual obligation, both while in attendance and thereafter, by every student at each campus.

D. Any invention or discovery (1) which is the result of research carried on by or under the direction of an employee of a campus of the University and/or having the costs thereof paid from funds provided by, under the control of or administered by a campus of the University, or (2) which is made by an employee of a campus of the University and which relates to the employee's field of work, or (3) which has been developed in whole or in part by the utilization of resources or facilities belonging to a campus of the University, shall be the property of the applicable campus of the University. The applicability of the above stated criteria to any invention or discovery will be determined at the sole discretion of the President of the respective campus of the University or his/her designee.

E. As a condition of their employment or continued employment by or enrollment at a campus of the University, each faculty member, employee and student agrees that he/she is contractually bound by this patent policy as implemented by the respective campuses of the University and shall report to the officer or non-profit organization so designated by the President of the campus of the University to manage and commercialize such inventions and discoveries with respect to that campus, any invention or discovery which such faculty member, employee or student has conceived, discovered, developed and/or reduced to practice by them or under their direction at any time following their initial appointment by, employment by, or enrollment with that campus of the University. All inventions and discoveries that meet the criteria of II.D. are hereby assigned to the University for the benefit of the appropriate campus of the University. Faculty members, employees and students do not have the authority to assign rights in such inventions and discoveries to third parties. The President of each campus of the University is authorized to further assign any invention or discovery it is deemed to own pursuant to this policy to a designated nonprofit organization established for the benefit of the respective campus of the University, which said assignment shall be conditioned on full compliance with this policy, regulations promulgated hereunder by the Board or by the President of the respective campus of the University, and appropriate state and federal law.

F. If the invention or discovery is one which is determined to be owned by a campus of the University, the President of the applicable campus or his/her
designee shall further evaluate the invention or discovery and determine if and how best to develop, commercialize and protect the invention as he/she deems appropriate, including, but not limited to, applying for patent protection, or requesting further development of the invention or discovery. In making this determination, the benefits that might accrue to both the campus of the University and the inventor(s) shall be considered. The designee shall act promptly in carrying out these duties so that the rights of the inventor(s) and the campus of the University may be protected.

G. If it is determined that the invention or discovery is one which is owned by the University pursuant to this policy but is one in which a campus of the University has no interest in retaining ownership, a campus of the University (or the non–profit organization to which an invention may have been assigned in accordance with the terms of this policy) may, but is under no obligation to, release its ownership rights to the inventor(s) on terms and conditions determined by the President or his/her designee, subject to any third party rights.

H. In consideration of the automatic assignment of ownership set forth in this policy, the Presidents or their designees are authorized to pay to the inventors, their heirs or assigns, a percentage of the royalties, fees, or other financial returns received by the campus of the University (or the non–profit organization to which an invention may have been assigned in accordance with the terms of this policy) from such invention after a deduction of fifteen percent (15%) thereof for overhead costs, plus a deduction for costs of patenting and protection of intellectual property rights and any unusual expenses paid by the campus or its non-profit designee or the inventor (which have been approved by the campus or its non-profit designee). Each campus President shall be responsible for the development of a policy governing the percentage of royalties, fees, and other financial returns on an invention paid to the inventor and governing the internal distribution of the campus of the University’s share of such financial returns.

I. It is understood that many research contracts, grants, and consulting agreements from or with the United States Government or its agencies, corporations, or individuals contain ownership of intellectual property clauses that may be at variance with this policy but which, if agreed to, require compliance. Such documents which are at variance with this policy may be referred to the appropriate designated officer of the campus for recommendations prior to approval.

J. Annual reports of patent matters will be made to the Chancellor for his/her information and that of the Board within thirty days (30) following the end of each fiscal year, to include as a minimum identification of each patent and patent applied for, the distribution of patent revenue including the share
going to the inventor, and the expenses of obtaining and managing patents. The Chancellor may prescribe appropriate formats for such reporting.

510. **UASOM Policy and Procedures for the Review and Approval of New Residency Programs or the Expansion of Existing Residency Programs**

In order to provide for the orderly review and approval of new residency programs or the expansion of existing programs within The University of Alabama School of Medicine (UASOM), and to clarify the sequential steps (implicit and explicit) required by Board guidelines, the following procedure shall be followed.

In the event that the Associate Dean of the UASOM-Tuscaloosa Campus, the UASOM-Huntsville Campus or UASOM Associate Dean for Education feels there may be a need for establishment of a medical residency program or for expansion of an existing residency program, the Vice President and Dean of the UASOM shall be promptly notified. This notice shall include details of the need and shall specifically address the requirements for review included in paragraph 1 below. The Vice President and Dean shall consider the request and, based on the establishment of need and reasonable assurance of the availability of the essential resources, shall initiate a comprehensive institutional review of the health care facility (if pertinent) and the component of UASOM, to include but not necessarily to be limited to the following:

1. The basis for the institution review shall be the current Directory of Accredited Residencies of the Accreditation Council on Graduate Medical Education. All institutional and program requirements must apply. It is essential to approval of any residency program that the requirements of the above cited sections be met, and the review will verify the existence or absence of the specified resources. In the absence of resources, which are specified as essential by the appropriate residency review committee and the Accreditation Council on Graduate Medical Education, the review will indicate the deficiency and the Dean's plan for its elimination.

2. The Vice President and Dean of the UASOM shall require the Associate Dean for Education to study the results of institutional review carefully. In those cases where need is established and resources are available, an appropriate recommendation will be developed for sequential processing as follows:
   - Vice President and Dean, UASOM
   - Executive Director of appropriate hospital
   - CEO, UAB Health System
   - President, UAB
   - Chancellor
   - Board of Trustees

The importance of adherence to the above prescribed channels of authority is emphasized.
Upon final approval of the Board, the appropriate Vice President and Dean is authorized to develop and submit an application in accordance with the policies and guidelines of the appropriate residency review committee.

(Adopted March 11, 1978, as Rule 551; renumbered December 5, 1997; amended April 19, 2002.)
511. **Procedure for Review and Approval of Affiliation Agreements Concerning Undergraduate Medical Education or House Staff Training (Residencies) Within UASOM**

The following procedure shall be followed in the review and approval of any affiliation agreement between a health care facility and any component or unit of The University of Alabama School of Medicine which covers any aspect of undergraduate medical education or house staff training (residencies) within The University of Alabama School of Medicine.

1) At such time as there may be a need for a formal affiliation agreement between a community health care facility and the UASOM, the Vice President and Dean will be so informed. It is important that such information be furnished at the outset.

2) After concluding that there is a need for a formal affiliation agreement between a community health care facility and the UASOM and following appropriate and established institutional review and approval, the Vice President and Dean shall authorize the development of an appropriate affiliation agreement. The request shall include a description of the need for an affiliation, of how the affiliation will meet that need, of the responsibilities of the health care facility and the System under agreement, and an estimate of the financial, personnel, and other resources required for the program.

3) Any affiliation agreement shall be consistent with the policies of The Board of Trustees of The University of Alabama.

4) The channel of approval for proposed affiliation agreements, following appropriate and established institutional review and approval shall be through the Vice President and Dean, who may call upon legal counsel from the appropriate campus, from UAB, or from the General Counsel of The Board of Trustees of The University of Alabama.

5) After the Vice President and Dean of the UASOM approves an affiliation agreement, it will be forwarded to the President of the appropriate campus prior to being forwarded to the Chancellor and the Board for review and final approval.
6) Affiliation agreements are not to be forwarded along the above channel of approval until written action is obtained from each of the appropriate preceding approving officials.

(Adopted March 11, 1978 as Rule 552; renumbered December 5, 1997; amended April 19, 2002.)
512. Establishment of and Induction into Institutional Halls of Fame

A. A Hall of Fame is a format for the recognition of accomplishment and achievement.

B. In order to maintain uniformity and a high degree of prestige and selectivity, the proposed establishment of Hall of Fame (Hall) by any of the campuses of the University or any division of a campus, and any future inductions of individuals, organizations, businesses, or associations into these new or existing Halls, shall be submitted for review and be approved by the president of the campus with which the Hall is affiliated.

C. Only after approval by the campus president shall a Hall be established or induct new members.

D. Inductees or individuals shall include natural persons, organizations, businesses, associations, or any other entity being memorialized.

(Adopted February 4, 2005.)
CONSTITUTIONAL AND STATUTORY PROVISIONS PERTAINING TO THE UNIVERSITY OF ALABAMA SYSTEM
STATE OF ALABAMA
CONSTITUTIONAL AND STATUTORY PROVISIONS
PERTAINING TO
THE UNIVERSITY OF ALABAMA SYSTEM

TABLE OF CONTENTS

CONSTITUTION OF 1901, ARTICLE XIV, EDUCATION ................................................................. 271
  SEC. 264 (AS AMENDED). Board of trustees of state university ................................................... 271
  SEC. 265. Annual payment of interest on funds of University of Alabama; authority to abolish military system at university ....................................................... 272
  SEC. 267. Change of location of Alabama Polytechnic Institute, Alabama Schools for the Deaf and Blind or Alabama Girls Industrial School ................................................................. 272

CODE OF ALABAMA 1975, CHAPTER 47, UNIVERSITY OF ALABAMA ...................................................... 273
  ARTICLE 1. General Provisions .................................................................................................. 279
  ARTICLE 2. Board of Trustees .................................................................................................. 283
  ARTICLE 3. Dental College of Alabama .................................................................................... 286
  ARTICLE 4. University of Alabama School of Medicine ............................................................ 291
  ARTICLE 5. University of Alabama School of Nursing ............................................................ 298
  ARTICLE 6. University of Alabama, Huntsville ........................................................................ 299
  ARTICLE 7. School of Social Work of Alabama ....................................................................... 300
  ARTICLE 8. University of Alabama Museum ........................................................................... 302
SEC. 264.  BOARD OF TRUSTEES OF STATE UNIVERSITY.

The state university shall be under the management and control of a board of trustees, which shall consist of two members from each congressional district in the state, an additional member from the congressional district which includes the site of the first campus of the university, the superintendent of education, and the Governor, who shall be ex officio president of the board. The members of the board of trustees as now constituted shall hold office until their respective terms expire under existing law, and until their successors shall be elected and confirmed as hereinafter required. The additional trustees provided for by this amendment shall be elected by the existing members of the board, and confirmed by the senate in the manner provided below, for initial terms of not more than six years established by the board so that one term shall expire each three years in each congressional district. Successors to the terms of the existing and additional trustees shall hold office for a term of six years, and shall not serve more than three consecutive full six-year terms on the board; provided however that a trustee shall retire from the board and vacate office at the annual meeting of the board following that trustee's seventieth birthday. Election of additional and successor trustees or of trustees to fill any vacancy created by the expiration of a term or by the death or resignation of any member or from any other cause shall be by the remaining members of the board by secret ballot; provided, that any trustee so elected shall hold office from the date of election until confirmation or rejection by the senate, and, if confirmed, until the expiration of the term for which elected, and until a successor is elected. At every meeting of the Legislature the superintendent of education shall certify to the senate the names of all who shall have been so elected since the last session of the Legislature, and the senate shall confirm or reject them, as it shall determine is for the best interest of the university. If it rejects the names of any members, it shall thereupon elect trustees in the stead of those rejected. No trustee shall receive any pay or emolument other than his actual expenses incurred in the discharge of his duties as such. Upon the vacation of office by a trustee, the board, if it desires, may bestow upon a trustee the honorary title of trustee emeritus, but such status shall confer no responsibilities, duties, rights, or privileges as such.

SEC. 265. **Annual payment of interest on funds of University of Alabama; authority to abolish military system at university.**

After the ratification of this Constitution there shall be paid out of the treasury of this state at the time and in the manner provided by law, the sum of not less than thirty-six thousand dollars per annum as interest on the funds of the University of Alabama, heretofore covered into the treasury, for the maintenance and support of said institution; provided, that the Legislature shall have the power at any time they deem proper for the best interest of said university to abolish the military system at said institution or reduce the said system to a department of instruction, and that such action on the part of the Legislature shall not cause any diminution of the amount of the annual interest payable out of the treasury for the support and maintenance of said university.

SEC. 267. **Change of location of Alabama Polytechnic Institute, Alabama Schools for the Deaf and Blind or Alabama Girls Industrial School.**

The Legislature shall not have power to change the location of the state university, or the Alabama Polytechnic Institute, or the Alabama Schools for the Deaf and Blind, or the Alabama Girls' Industrial School, as now established by law, except upon a vote of two-thirds of the Legislature taken by yeas and nays and entered upon the journal.
# CODE OF ALABAMA 1975
## CHAPTER 47
### UNIVERSITY OF ALABAMA.

#### Article 1.
**General Provisions.**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-47-2.</td>
<td>Corporate powers generally.</td>
</tr>
<tr>
<td>16-47-3.</td>
<td>Power to hold and dispose of property.</td>
</tr>
<tr>
<td>16-47-5.</td>
<td>Grants and gifts preserved.</td>
</tr>
<tr>
<td>16-47-6.</td>
<td>Rights, franchises, properties and privileges retained.</td>
</tr>
<tr>
<td>16-47-7.</td>
<td>Books may be furnished law department.</td>
</tr>
<tr>
<td>16-47-10.</td>
<td>Police officers – Appointed by president; powers and duties generally.</td>
</tr>
<tr>
<td>16-47-12.</td>
<td>School of Mines of Alabama.</td>
</tr>
</tbody>
</table>

#### Article 2.
**Board of Trustees.**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-47-30.</td>
<td>Composition; terms of office; election; vacancies; compensation.</td>
</tr>
</tbody>
</table>
Section 16-47-31. Quorum; majority vote; president pro tempore.

Section 16-47-32. Meetings.

Section 16-47-33. Records of trustees' proceedings preserved; payment of expenses of trustees.

Section 16-47-34. Powers generally.

Section 16-47-35. Authority of trustees to dispose of property.

Section 16-47-36. Report to Legislature.

Section 16-47-37. Executive committee of trustees.

### Article 3.

**Dental College of Alabama.**

#### DIVISION 1.

**GENERAL PROVISIONS.**

16-47-50. Establishment.

16-47-51. Dentists Advisory Board.

16-47-52. Appropriations not to affect other appropriations to university.


16-47-54. Authority of board of trustees of university.

#### DIVISION 2.

**SCHOLARSHIPS.**

16-47-76. Board of Dental Scholarship Awards – Created; authorization to establish scholarships; composition; terms of members.

16-47-77. Board of Dental Scholarship Awards – Powers and duties.

16-47-78. Types of scholarships.

16-47-79. Repayment of loans.

### Article 4.

**University of Alabama School of Medicine.**

#### DIVISION 1.

**GENERAL PROVISIONS.**

16-47-90. Establishment; name.

16-47-91. Physicians Advisory Board.

16-47-92. Appropriations to University of Alabama not affected.

16-47-93. Annual report to Legislature.

16-47-94. Power and authority of Board of Trustees of University of Alabama.

16-47-95. Acquisition of property for school of medicine; issuance of bonds.

#### DIVISION 2.

**SCHOLARSHIPS.**

16-47-121. Board of Medical Scholarship Awards – Created; authorization to issue scholarships; agreements with loan recipients.

16-47-122. Board of Medical Scholarship Awards – Composition; terms of members; chairman.

16-47-123. Board of Medical Scholarship Awards – Powers and duties.
<table>
<thead>
<tr>
<th>Section</th>
<th>Annual administration expenses.</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-47-123.1.</td>
<td>Types of awards.</td>
</tr>
<tr>
<td>16-47-124.</td>
<td>Repayment obligation may begin immediately upon discontinuation of medical education.</td>
</tr>
<tr>
<td>16-47-125.</td>
<td>Repayment of loans by performing certain services.</td>
</tr>
<tr>
<td>16-47-126.</td>
<td>Award contracts in force prior to February 14, 1994 may continue; option available to re-contract under new provisions; additional board powers.</td>
</tr>
<tr>
<td>16-47-126.1</td>
<td>Agreement by recipients to practice in certain areas; immediate liability upon default; penalty provisions; proceedings for recovery of amount due; death, disability may excuse repayment.</td>
</tr>
<tr>
<td>16-47-127.</td>
<td>Failure of recipient to perform loan agreement grounds for revocation of medical license; revocation proceedings.</td>
</tr>
<tr>
<td>16-47-129.</td>
<td>Localities in need of physicians.</td>
</tr>
</tbody>
</table>

**Article 5.**  
**University of Alabama School of Nursing.**

<table>
<thead>
<tr>
<th>Section</th>
<th>Appropriations made under article not to adversely affect other appropriations made to university.</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-47-134.</td>
<td>Scholarships – How distributed.</td>
</tr>
<tr>
<td>16-47-136.</td>
<td>Scholarships – Amount and conditions; selection of recipients.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section</th>
<th>Establishment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-47-130.</td>
<td>Clinical and other educational facilities.</td>
</tr>
<tr>
<td>16-47-131.</td>
<td>Payment of expenses.</td>
</tr>
</tbody>
</table>
Article 6.
University of Alabama, Huntsville.

Section 16-47-150. Scholarships to division of nursing – Established; distribution.
Section 16-47-151. Scholarships to division of nursing – Who eligible.
Section 16-47-152. Scholarships to division of nursing – Amount and conditions; selection of recipients.

Article 7.
School of Social Work of Alabama.

16-47-170. Established; minimum course of instruction.
16-47-171. Powers and duties of board of trustees of university generally; school to be separate graduate school; qualifications of dean.
16-47-172. Scholarships; standards and requirements for admission.
16-47-173. Residents to have preferential consideration for admission.
16-47-174. Appropriations made under article not to adversely affect other appropriations made to university.

Article 8.
University of Alabama Museum.

16-47-190. Definitions.
Section 16-47-193. Erection, maintenance and improvement of buildings.
16-47-194. Acquisition of personal property for museum; place of display.
16-47-196. Geological survey authorized to transfer property to and make collections for museum.
16-47-197 Powers of university over personal property acquired for use or display.
16-47-198. Employees for museum; teaching at museum.
16-47-199. Rules and regulations; punishment of violations; powers of police officers appointed by university president.
16-47-201. Construction and maintenance of roads to and within museum grounds.
16-47-202. Counties or municipalities may contribute land or funds for museum; contributions by others.
16-47-204. Governor may convey interest of state in museum lands to university.
ARTICLE 1.

GENERAL PROVISIONS.


The Governor and the State Superintendent of Education, by virtue of their respective offices, the trustees heretofore appointed from the different congressional districts of the state under the provisions of Section 264 of the Constitution and such other members as may be from time to time added to the board of trustees and their successors in office are constituted a body corporate under the name of "the Board of Trustees of the University of Alabama," to carry into effect the purposes and intent of the Congress of the United States in the grant of lands by the act of April 20, 1818, and of the act of March 2, 1819, to this state, to be by it held and administered for the benefit of a seminary of learning. (School Code 1927, § 543; Code 1940, T. 52, § 486.)

§ 16-47-2. Corporate powers generally.

Such corporation shall have all the rights, powers and franchises necessary to or promotive of the end of its creation and shall be charged with all the corresponding duties, liabilities and responsibilities. (School Code 1927, § 544; Code 1940, T. 52, § 487.)

§ 16-47-3. Power to hold and dispose of property.

Such corporation may hold and may lease, sell or in any other manner not inconsistent with the object or terms of the grant or grants under which it holds dispose of any property, real or personal, or any estate or interest therein, remaining of the original or any subsequent grant by Congress, or by this state, or by any person, or accruing to the corporation from any source, including also the proceeds of the university fund, as to it may seem best for the purposes of its institution. (School Code 1927, § 545; Code 1940, T. 52, § 488.)

§ 16-47-4. University fund.

The fund designated as the university fund consists of the sum of $36,000.00 per annum as interest on the funds of the University of Alabama, heretofore covered into the treasury, for the maintenance and support of said institution, which said sum of $36,000.00 shall be paid to the duly authorized agent of the university as hereinafter provided; and the further sum of $25,000.00, annually, is added to and made a part of the university fund. (School Code 1927, § 546; Code 1940, T. 52, § 489.)
§ 16-47-5. Grants and gifts preserved.

No grant or gift, by will or otherwise, shall fail on account of any misnomer or informality, when the intention of the grantor or donor can be ascertained; nor shall any default or malfeasance on the part of the trustees or other officers or agents of such corporation work a forfeiture of any of its rights, powers, privileges or franchises. (School Code 1927, § 547; Code 1940, T. 52, § 490.)

§ 16-47-6. Rights, franchises, properties and privileges retained.

In addition to the rights, properties, privileges and franchises herein granted, all rights, properties, privileges and franchises heretofore by any act of the Legislature granted to or vested in the University of Alabama shall vest and continue in such corporation. (School Code 1927, § 548; Code 1940, T. 52, § 491.)

§ 16-47-7. Books may be furnished law department.

The justices of the Supreme Court are authorized from time to time to set apart and turn over to the law department of the university copies of such secondhand or superseded law books, known as textbooks, as they may deem expedient, the marshal and librarian taking proper receipts therefore. (School Code 1927, § 557; Code 1940, T. 52, § 498.)

§ 16-47-8. Code and reports furnished law department.

The Secretary of State shall supply to such law department 10 copies of the Code of Alabama and one copy of the quarterly reports of the opinions of the Attorney General, as the same may from time to time be published. (School Code 1927, § 558; Code 1940, T. 52, § 499.)

§ 16-47-9. Additional copies of the state publications furnished law department for exchange.

The Secretary of State shall furnish to the school of law of the University of Alabama, in addition to those furnished for use therein, as many copies, but not to exceed 60 each, of all reports and publications of the State of Alabama and its several departments, agencies and institutions, including, the Alabama Code, general and local acts, Senate and House journals and other legislative documents as may be requested by the dean of the school for use in exchange with the several states or territories of the United States, the Dominion or provinces of Canada, the Republic of Mexico, the Philippine Republic, the Republic of South Africa, the Australian Commonwealth or the Dominion of New Zealand, or any of the departments, agencies or institutions thereof for similar reports and publications of each of those states, territories or nations; provided, that exchanges shall not be made to secure more than one copy of any publication.
This section shall apply to existing stocks of all such reports and publications that are not already reserved or set aside by law for a specific purpose, to all such reports and publications hereafter printed or published and to all reports and publications which the state is able to purchase at a predetermined price; but no reprint of any report or publication shall be undertaken to supply copies thereof for exchange purposes. (Acts 1947, No. 300, p. 151.)

§ 16-47-10. Police officers - Appointed by president; powers and duties generally.

The president of the university may appoint or employ one or more suitable persons to act as police officers to keep off intruders and prevent trespass upon and damage to the property of the university. Such person shall be charged with all the duties and invested with all the powers of police officers. The officer may eject trespassers from the university buildings and grounds. The officer may, without warrant, arrest persons who commit disorderly conduct, or trespass on the property of the institution, or in any circumstance in which an arrest by a police officer without a warrant is authorized by law, and carry them before the nearest district court or municipal court charged with the trial of such offenders. Upon proper affidavit charging the offense, the person arrested may be tried by the court and convicted as in case of persons brought before the court on a warrant. The officer or officers may summon a posse comitatus. (School Code 1927, § 559; Code 1940, T. 52, § 500; Acts 1995, No. 95-554, § 1.)


(a) Any police officer appointed pursuant to the provisions of this section or Section 16-22-1, is a peace officer whose authority extends to any place in the state; provided, that the primary duty of any such police or peace officer shall be the enforcement of the law on property owned or leased by the institution of higher education employing said peace officers; provided further, that he shall not otherwise act as a peace officer in enforcing the law except:

(1) When in pursuit of any offender or suspected offender who is charged with the commission of a crime while on the premises of said institution; or
(2) To make arrests otherwise lawfully for crimes committed, or for which there is probable cause to believe have been committed, within his presence or within the boundaries of said property owned or leased.

(b) The provisions of this section granting authority to police officers at institutions of higher learning in the State of Alabama are not intended to limit or abridge any powers heretofore granted to said officers by law, and the provisions of this section are, therefore, to be considered cumulative.

(c) Nothing in this section shall grant authority to any persons appointed under the provisions of this section to enter a classroom for the purpose of enforcing traffic or parking citations. (Acts 1975, No. 924, §§ 1-3.)
§ 16-47-12. School of Mines of Alabama.

The Department of Mining Engineering of the University of Alabama is declared to be the "School of Mines" of the State of Alabama. Alabama's share of such federal aid as may hereafter be provided by Congress for the promotion or development of mines and mining and mining engineering in the several states through educational agencies shall be put at the exclusive disposal of the University of Alabama to be utilized in connection with or by that institution in such manner as the federal law and regulations may prescribe. (School Code 1927, § 564; Code 1940, T. 52, § 504.)


The Federal Bureau of Mines, Department of the Interior, has established and located a mining experiment station at the University of Alabama, the continuance of such station being conditioned upon the performance of certain obligations on the part of the University of Alabama prescribed by the federal government. The University of Alabama is authorized to meet and perform said obligations out of any funds appropriated for that purpose or which may hereafter be appropriated for that purpose. Said School of Mines of Alabama is hereby authorized to cooperate and collaborate with said station in the carrying on of its work. (School Code 1927, § 565; Code 1940, T. 52, § 505.)


The testing laboratory of the University of Alabama is the official testing laboratory for cement and other materials of construction. (School Code 1927, § 568; Code 1940, T. 52, § 506.)

§ 16-47-15 Summer school for teachers - Establishment.

The trustees of the University of Alabama may establish at that institution a school to be known as the summer school for teachers, at which during the summer months instruction shall be given in all the public school studies and in such other studies as may be necessary to better prepare teachers for efficient service in the public schools of this state. (School Code 1927, § 569; Code 1940, T. 52, § 507.)


The summer school for teachers at the University of Alabama shall be maintained and supported by the annual legislative appropriation for that specific purpose. (School Code 1927, § 570; Code 1940, T. 52, § 508.)
ARTICLE 2.

BOARD OF TRUSTEES.

§ 16-47-30. Composition; terms of office; election; vacancies; compensation.

The state university shall be under the control of the board of trustees, which shall consist of two members from the congressional district in which the university is located, and one from each of the other congressional districts in the state, the State Superintendent of Education and the Governor, who shall be ex officio president of the board.

The members of the board of trustees, as now constituted, shall hold office until their respective terms expire under existing law and until their successors shall be elected and confirmed, as hereinafter required. Successors to those trustees whose terms expire in 1902 shall hold office until 1907; successors to those whose terms expire in 1904 shall hold office until 1911; successors to those trustees whose terms expire in 1906 shall hold office until 1915; and thereafter their successors shall hold office for a term of 12 years.

When the term of any member of such board shall expire, the remaining members of the board shall, by secret ballot, elect his successor; provided, that any trustee so elected shall hold office from the date of his election until his confirmation or rejection by the Senate, and if confirmed, until the expiration of the term for which he was elected and until his successor is elected. At every meeting of the Legislature, the State Superintendent of Education shall certify to the Senate the names of all who have been so elected since the last session of the Legislature, and the Senate shall confirm or reject them as it shall determine for the best interest of the university. If it rejects the names of any members it shall thereupon elect trustees in the stead of those rejected.

In the case of a vacancy on said board by death or resignation of a member, or from any cause other than the expiration of his term of office, the board shall elect his successor, who shall hold office until the next session of the Legislature, when the name of a successor or successors elected by said board to fill the vacancy or vacancies so occasioned shall be certified by the State Superintendent of Education to the Senate, and the Senate shall confirm, or reject, as it shall determine is for the best interest of the university; and, if confirmed by the Senate, the person, or persons so elected to fill said vacancy shall hold office for the unexpired term to which he is so elected. If the Senate rejects the name of any person to fill said vacancy, it shall thereupon elect some person or persons in the stead of those rejected.

No trustee shall receive any pay or emolument other than his actual expenses incurred in the discharge of his duties as such. (School Code 1927, § 550; Code 1940, T. 52, § 493.)
§ 16-47-31   Quorum; majority vote; president pro tempore.

Five members of the board of trustees, exclusive of the ex officio members, shall constitute a quorum. Every member present shall be required to vote, and a majority of those present shall govern. At their first meeting, the board shall elect one of its number president pro tempore, who shall preside in the absence of the Governor and shall hold the position until the next annual or special meeting, when another president pro tempore shall be elected. (School Code 1927, § 551; Code 1940, T. 52, § 494.)

§ 16-47-32.   Meetings.

The board of trustees shall meet at least once in each year and on the first Wednesday in June, unless some other day is selected by them, and it may, by ordinance or resolution adopted by it, prescribe other regular times for meeting. At such meeting it may continue in session as long as it may deem proper for the welfare of the institution and may at any session appoint a special or adjourned meeting. Upon the written application of four members, or of any three members with his concurrence, the president pro tempore shall appoint a special meeting and issue notice thereof to the several members; but such special meeting shall not be appointed for a day less than seven days subsequent to the date of the notice. In case there is no president pro tempore of the board, or in case he is incapacitated to act, then the Governor, as president of the board, shall upon the written application of four members, in like manner call such special meeting. Regular meetings of the board must be held at the university, but special or adjourned meetings may be held at the university or in the City of Montgomery, the City of Birmingham or the City of Huntsville. (School Code 1927, § 552; Code 1940, T. 52, § 495; Acts 1945, No. 265, p. 412; Acts 1969, No. 985, p. 1733.)

§ 16-47-33.   Records of trustees' proceedings preserved; payment of expenses of trustees.

The proceedings of the board of trustees must be recorded in a substantially bound book, which must be kept in the archives of the university; and the board may at any meeting employ a secretary. The certificate of the president or, in his absence, of the president pro tempore, countersigned by the secretary, if there is one, shall entitle the several trustees to their constitutional pay out of the treasury of the university; and the compensation of the secretary and the necessary incidental expenses of the board at each session shall be paid on the order of the board, and the certificate of the president or president pro tempore, as the case may be, out of such treasury. (School Code 1927, § 552; Code 1940, T. 52, § 495; Acts 1945, No. 265, p. 412; Acts 1969, No. 985, p. 1733; School Code 1927, § 553; Code 1940, T. 52, § 496.)
§ 16-47-34.  Powers generally.

The board of trustees has the power to organize the university by appointing a corps of instructors, who shall be styled the faculty of the university, and such other officers as the interest of the university may require; to remove such instructors or officers, and to fix their salaries or compensation, and increase or reduce the same at their discretion; to institute, regulate, alter or modify the government of the university, as it may deem advisable; to prescribe courses of instruction, rates of tuition and price of board and regulate the necessary expenses of students; and to confer such degrees as are usually conferred by similar institutions. It may delegate to the faculty of the university, or other officers, such powers and functions in the government of the students and in the administration of the affairs of the university as it may deem proper; but in no case shall any person be authorized to receive, hold or disburse any funds of the university without having first given bond, conditioned for the faithful discharge of his duties; and no person shall be excluded from the full benefit of the university fund or placed at any disadvantage in the pursuit of his studies who possesses the requisite literary or other qualifications and is willing to submit to the discipline prescribed for the students. (School Code 1927, § 549; Code 1940, T. 52, § 492.)

§ 16-47-35.  Authority of trustees to dispose of property.

The Board of Trustees of the University of Alabama may sell, lease or otherwise dispose of, all or any part of such land as has been or may be selected under and by virtue of an act of Congress entitled, "An act to increase the endowment of the University of Alabama from the public school lands in said state," approved April 23, 1884, and may sell lands or any interest therein or part thereof for such prices and upon such terms as to it may seem proper. Such sales may be for cash or for part cash, and the said Board of Trustees of the University of Alabama shall not be limited by any statute heretofore enacted as to what part of the purchase price of such lands which it has heretofore sold or may hereafter sell shall be in cash, but the percent of the purchase price of such lands that may have been or shall be in cash shall be such as said Board of Trustees of the University of Alabama may agree upon with the purchaser or purchasers. (School Code 1927, § 560; Code 1940, T. 52, § 501.)


It shall be the duty of the board of trustees to make to the Legislature, at each session thereof, a full report of its transactions and of the condition of the university, embracing an itemized account of all receipts and disbursements on account of the university by those charged with the administration of its finances. (School Code 1927, § 554; Code 1940, T. 52, § 497.)
§ 16-47-37. Executive committee of trustees.

The Board of Trustees of the University of Alabama may create an executive committee consisting of three or more of the trustees composing the said board upon which committee it may confer full power and authority to lease, sell and convey such lands or any part thereof, or any interest therein, as fully as said Board of Trustees of the University of Alabama could itself do. (School Code 1927, § 561; Code 1940, T. 52, § 502.)

ARTICLE 3.

DENTAL COLLEGE OF ALABAMA.

Division 1.

General Provisions.

§ 16-47-50. Establishment.

There is hereby created and established a four-year school of dentistry in the State of Alabama to be under the sole management, ownership and control of the Board of Trustees of the University of Alabama, to be located at Birmingham, Alabama, as a part of the medical center, which shall be known as the Dental College of Alabama or such other name as the board of trustees and the advisory board shall hereafter designate. (Acts 1945, No. 207, p. 323, § 1; Acts 1947, No. 625, p. 478.)

§ 16-47-51. Dentists Advisory Board.

There is hereby created and established a board to be known as the Dentists Advisory Board, consisting of five dentists who shall be members in good standing of the State Dental Association of Alabama and shall reside in different sections of the State of Alabama. The duties of the members of said board shall be to meet with the Alabama Building Commission upon its call for the purpose of giving information and advice to the said Alabama Building Commission as to proper location, establishment, buildings and equipment of said dental school, during the period of time occupied by the Alabama Building Commission in locating, establishing, building and equipping said dental school, and to meet with the Board of Trustees of the University of Alabama, or with three or more members of said board of trustees at such times and places as may be mutually agreed upon, due notice of said meetings to be given by the board of trustees, for the purpose of giving information and advice to the trustees as to the proper maintenance and operation of the dental school. The first five members of the Dentists Advisory Board shall be appointed by the Governor: one for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years and one for a term of five years; and thereafter all members of said board shall be elected by the Board of Trustees of the University of Alabama on nominations made by the State Dental Association or its
authorized agents, for five-year terms each. Vacancies shall be filled likewise by the Board of Trustees of the University of Alabama, and the appointees shall serve for the unexpired terms. The members of said advisory board shall serve without pay, but shall be reimbursed for their actual expenses incurred in the discharge of their duties, to be paid in the same manner as the expenses of the University trustees are paid. The dean of the school of dentistry shall be an ex officio member of the Dentists Advisory Board and shall sit with it in its deliberations. (Acts 1945, No. 207, p. 323, § 3.)

§ 16-47-52. Appropriations not to affect other appropriations to university.

Since it is the purpose of this chapter to establish and maintain a standard four-year dental school to be administered by the University of Alabama, and since the university, in order to carry out that purpose, must itself necessarily continue to be accredited by the national and regional standardizing agencies, it is hereby expressly provided that appropriations made under this chapter, being set apart exclusively for the school of dentistry and for no other purpose, shall not adversely affect appropriations made to the university in support of its other schools, colleges, divisions and activities. (Acts 1945, No. 207, p. 323, § 7.)


It shall be the duty of the board of trustees to make to the Legislature of Alabama at each regular session thereof a full report of its transactions under this chapter and of the condition of the dental school, embracing an itemized account of all receipts and disbursements on account of said dental school by those charged with the administration of the finances thereof. (Acts 1945, No. 207, p. 323, § 8.)

§ 16-47-54. Authority of board of trustees of university.

The Board of Trustees of the University of Alabama is hereby given full power and authority to maintain and operate the school of dentistry created by this chapter wherever located, and to set, establish and maintain standards of scholarship and teaching which shall be in accordance with standards approved by the Council of Dental Education of the American Dental Association, and to perform all acts and functions necessary or appropriate to carry out the provisions of this chapter as it relates to the proper and orderly maintenance and operation of said dental school; provided, that the board of trustees shall be under no duty to operate or to continue the operation and maintenance of said dental school unless and until adequate appropriations are received from the State of Alabama for that purpose. (Acts 1945, No. 207, p. 323, § 9.)
Division 2.

Scholarships.

§ 16-47-76. Board of Dental Scholarship Awards - Created; authorization to establish scholarships; composition; terms of members.

There is hereby created and established a board to be known as the Board of Dental Scholarship Awards, which shall be authorized and required to establish scholarships to provide for and further dental training, in pursuance of a dental degree, of qualified applicants for admission to the University of Alabama School of Dentistry or any other dental school in the State of Alabama accredited by the Council on Dental Education of the American Dental Association. The board shall be composed of the secretary of the Alabama Dental Association, who shall serve as chairman of the board; one dentist elected from each component society of the Alabama Dental Association, whose terms of office shall be staggered, two dentists being elected for a term of one year, two dentists being elected for a term of two years, two dentists being elected for a term of three years and two dentists being elected for a term of four years, and at the end of each term of office, successors shall be elected for a term of four years; the director of the Bureau of Dental Health of the Health Department of Alabama; the dean of the University of Alabama School of Dentistry or his designee; and the chairman of the University of Alabama School of Dentistry Admissions Committee. (Acts 1977, No. 662, p. 1121, § 1.)

§ 16-47-77. Board of Dental Scholarship Awards - Powers and duties.

The Board of Dental Scholarship Awards shall have power and authority to make reasonable rules and regulations not inconsistent with the laws of this state as may be necessary for the regulation of its proceedings and for the discharge of the duties imposed on it. Said board shall receive and review all applications for scholarship loans and awards, shall make a careful and thorough investigation of the ability, character and qualifications of each applicant and shall be responsible for the further administration of the scholarship program subject to the provisions of this article. (Acts 1977, No. 662, p. 1121, § 3.)

§ 16-47-78. Types of scholarships.

The board shall establish two types of scholarships as follows:

(1) A number of loans equal to 20 percent of the number of students enrolled in the University of Alabama School of Dentistry, based on the economic need and scholastic ability of the applicant, in an amount not to exceed $3,000.00 per annum or $12,000.00 over a four-year period, shall be available to any bona fide resident of Alabama of good character who has been accepted for matriculation by the University of Alabama School of Dentistry or any other educational institution accredited by the Council on Dental Education of the American Dental Association. This section shall also apply to graduate students at the discretion of the board.
A number of nonrefundable merit scholarship awards equal in number to five percent of the number of students enrolled in the University of Alabama School of Dentistry, in an amount not to exceed $3,000.00 per annum each, or $12,000.00 for a four-year period, shall be available to outstanding students, one fourth of which shall be awarded each year to members of the entering class at the University of Alabama School of Dentistry, who, in the judgment of the board, have the highest scholastic achievement in undergraduate studies, sufficient dental aptitude, excellence of character and other pertinent qualifications. (Acts 1977, No. 662, p. 1121, § 4.)

§ 16-47-79. Repayment of loans.

(a) Scholarships extended under subdivision (1) of Section 16-47-78 shall be repaid following graduation either in cash as is provided under subsection (b) of this section, or under the terms of a contract to serve in a needy area in Alabama for a term to be specified by the board as provided in subsection (c) of this section. Any moneys received from recipients in repayment of a scholarship loan under subsections (b) and (c) of this section shall upon receipt thereof be remitted by the Board of Scholarship Awards to the Treasurer of the State of Alabama for credit to the Special Educational Trust Fund.

(b) Scholarship loans to be repaid under this subsection shall be repaid to the Board of Dental Scholarship Awards in full at an interest rate of six percent per annum from the date of graduation from dental school. Payments are to be made annually, the first of which is due one year after the recipient enters the practice of dentistry or one year after completion of specialty training, whichever occurs first. Repayment in full must be completed within eight years from initiation of repayment. Any recipient who fails for any reason to continue his dental education shall repay all loan amounts in accordance with terms and conditions established by the Board of Dental Scholarship Awards; provided, that the interest rate on such unpaid loan amounts shall be fixed at six percent per annum from date of his departure or removal from dental school.

(c) Scholarship loans to be repaid under this subsection shall be repaid by service in one of the following ways, subject to approval of the Board of Dental Scholarship Awards:

(1) Practice for a four-year period in a community of less than 5,000 population in which the dentist-population ratio is less than one to 3,000 and the community is at least 30 miles from a city of 50,000 population; provided that said mileage requirement may be waived by the board in its discretion in individual cases.

(2) Practice for a five-year period in a community of more than 5,000 population and less than 15,000 population which has been deemed
(3) by the Board of Dental Scholarship Awards to be critically in need of additional dental practitioners.

(4) Practice for a five-year period in a community of more than 15,000 but less than 100,000 population which has been deemed by the Board of Dental Scholarship Awards to be critically in need of additional dental practitioners, and repayment of one half the loan plus six percent interest per annum in five annual payments, beginning at the end of the first year of practice.

(5) Practice for five years in a position in Alabama in public health or as a dentist in a state institution approved by the Board of Dental Scholarship Awards.

(6) For loans of less than four years of study ($12,000.00), service repayment may be prorated on the basis of one fourth of the above requirements for each $3,000.00.

(7) Recipients who elect a service-type repayment pursuant to one of the preceding (1), (2), (3) or (4) shall make repayment in cash plus six percent interest per annum on a prorated basis as determined by the Board of Dental Scholarship Awards for any portion of this obligation which is not fulfilled. (Acts 1977, No. 662, p. 1121, § 5.)

§ 16-47-80. Contractual agreement of recipients; penalties for breach.

Each recipient of a scholarship loan under the provisions of this article shall enter into a contract with the Board of Dental Scholarship Awards whereby he agrees to repay the scholarship loan in a manner prescribed by the board not inconsistent with any provision of this article. Breach of contract by the recipient shall make him immediately liable for the unpaid balance of the loan and shall constitute a ground for the revocation of his certificate or license to practice dentistry in the State of Alabama. In the event of death or total and permanent disability of the recipient to engage in the practice of dentistry, repayment of the loan may be excused by the board. The Attorney General of Alabama, upon request of the Board of Dental Scholarship Awards, shall institute proceedings in the name of the state for the purpose of recovering any amount due the state under the provisions of this article. The proceedings to have such dentist's certificate or license revoked shall be commenced upon the written complaint of the Board of Dental Scholarship Awards to the State Board of Dental Examiners. The proceedings shall be in accordance with the provisions of Alabama law pertaining to the revocation of licenses to practice dentistry. (Acts 1977, No. 662, p. 1121, § 6.)
§ 16-47-81. Localities in need of dentists.

Any incorporated or unincorporated municipality or locality in the state having a population of less than 100,000 desiring additional dentists and wishing to be designated as a locality needing additional dentists may apply to the Board of Dental Scholarship Awards to be placed on a list of localities in need of additional dentists, which shall be maintained by the board. Such application may be made either by the municipal governing body or by a petition signed by at least one twentieth of the qualified electors of the municipality or locality. If the Board of Dental Scholarship Awards determines that such locality is in need of dentists, it shall place the locality on the list of localities in need of dentists from which recipients of scholarships may upon graduation select an area in which to practice. In compiling and maintaining the list, the board may place any locality thereon which, in its opinion, needs additional dentists. (Acts 1977, No. 662, p. 1121, § 7.)

ARTICLE 4

UNIVERSITY OF ALABAMA SCHOOL OF MEDICINE

Division 1

General Provisions

§ 16-47-90. Establishment; name.

There is hereby created and established a four-year school of medicine in the State of Alabama to be under the sole management, ownership and control of the Board of Trustees of the University of Alabama and to be known as The University of Alabama School of Medicine or such other name as the board of trustees shall hereafter designate. (Acts 1943, No. 89, p. 89, § 1; Acts 1969, No. 1054, p. 1975.)

§ 16-47-91. Physicians Advisory Board.

There is hereby created and established a board to be known as the Physicians Advisory Board, consisting of five physicians who shall be members in good standing of the State Medical Association of Alabama and shall reside in different sections of the State of Alabama. The duties of the members of said board shall be to meet with the Board of Trustees of the University of Alabama, or with three or more members of said board of trustees, at such times and places as may be mutually agreed upon, due notice of said meetings to be given by the board of trustees, for the purpose of giving information and advice to the trustees as to the proper maintenance and operation of the medical school. The first five members of the Physicians Advisory Board shall be appointed by the Governor, one for a term of one year, one for a term of two years, one for a term of three years, one for a term of four years and one for a term of five years; and thereafter all
members of said board shall be elected by the Board of Trustees of the University of Alabama on nominations made by the State Medical Association or its authorized agents for five-year terms each. Vacancies shall be filled likewise by the Board of Trustees of the University of Alabama, and the appointees shall serve for the unexpired terms. The members of said advisory board shall serve without pay, but shall be reimbursed for their actual expenses incurred in the discharge of their duties, to be paid in the same manner as the expenses of the university trustees are paid. The dean of the school of medicine shall be an ex officio member of the Physicians Advisory Board and shall sit with it in its deliberations. (Acts 1943, No. 89, p. 89, § 3.)

§ 16-47-92. Appropriations to University of Alabama not affected.

Since it is the purpose of this article to establish and maintain a standard four-year medical school to be administered by the University of Alabama, and since the university, in order to carry out that purpose, must itself necessarily continue to be accredited by the national and regional standardizing agencies, it is hereby expressly provided that appropriations made under this article, being set apart exclusively for the school of medicine and for no other purpose, shall not adversely affect appropriations made to the university in support of its other schools, colleges, divisions and activities. (Acts 1943, No. 89, p. 89, § 7.)

§ 16-47-93. Annual report to Legislature.

It shall be the duty of the board of trustees to make to the Legislature of Alabama at each regular session thereof a full report of its transactions under this chapter and of the condition of the medical school, embracing an itemized account of all receipts and disbursements on account of said medical school by those charged with the administration of the finances thereof. (Acts 1943, No. 89, p. 89, § 8.)

§ 16-47-94. Power and authority of Board of Trustees of University of Alabama.

The Board of Trustees of the University of Alabama is hereby given full power and authority to maintain and operate the school of medicine created by this chapter wherever located, and to set, establish and maintain standards of scholarship and teaching which shall be in accordance with standards approved by the council on medical education and hospitals of the American Medical Association and of the Association of American Medical Colleges, and to perform all acts and functions necessary or appropriate to carry out the provisions of this chapter as it relates to the proper and orderly maintenance and operation of said medical school; provided, that the board of trustees shall be under no duty to operate or to continue the operation and maintenance of said medical school unless and until adequate appropriations are received from the State of Alabama for that purpose. (Acts 1943, No. 89, p. 89, § 9.)
§ 16-47-95. Acquisition of property for school of medicine; issuance of bonds.

The Board of Trustees of the University of Alabama shall have full power and authority to acquire by purchase, lease or gift from any city, county or other public or private body, and to maintain, utilize and operate any personal or real property, whether in the form of hospitals, clinics or otherwise, deemed to be appropriate and necessary to the maintenance and operation of its school of medicine, and any such city, county or other public or private body shall have full power and authority to convey and transfer the said personal and real property accordingly on such terms as its governing body shall determine. The said board is further given the specific full power and authority to assume any and all legal obligations lying against the vendor, lessor or donor by virtue of ownership of property so acquired, and to assume any and all legal obligations lying against the property so acquired or against the net revenue derived from the operation thereof, and, if necessary, in acquiring or purchasing any hospital or hospitals mentioned in this section, said university is hereby authorized to issue its bonds in such an amount and in such denominations and maturing at any time it may determine; such bonds to be secured either by a pledge of the net revenue received from the operation of said hospital or hospitals, or by a mortgage on the hospital buildings as such, one or both. Any bonds assumed or issued by said board of trustees or said university pursuant to the provisions of this section shall not constitute a debt of this state, and the faith and credit of this state shall not be pledged as security for or in payment of said bonds. (Acts 1945, No. 80, p. 77.)

Division 2.

Scholarships.

§ 16-47-121. Board of Medical Scholarship Awards - Created; authorization to issue scholarships; agreements with loan recipients.

There is hereby created a Board of Medical Scholarship Awards, which shall establish scholarships and loans to provide for the medical training of qualified applicants for admission, or students in, the University of Alabama School of Medicine or the University of South Alabama College of Medicine, or any other accredited or provisionally accredited school of medicine in Alabama. The recipients of loan awards shall enter into a valid agreement with the Board of Medical Scholarship Awards to practice the profession of medicine in those areas and localities of Alabama as may be determined by the board for a number of years to be stipulated in the agreement. (Acts 1977, No. 663, p. 1125, § 1; Acts 1994, No. 94-103, p. 110, § 1.)
§ 16-47-122. Board of Medical Scholarship Awards - Composition; terms of members; chairman.

(a) The Board of Medical Scholarship Awards shall be composed of three members of the Board of Censors of the Medical Association of the State of Alabama, the executive officer of the State Board of Health, the dean of each school of medicine in Alabama or his designee, the chairman of the admissions committee of each school of medicine in Alabama and two members appointed by the Governor for four-year terms, one of whom shall be a member of the State of Alabama Senate and the other a member of the State of Alabama House of Representatives. The terms of the legislative members shall be concurrent with their legislative terms.

(b) The chairman of the Board of Medical Scholarship Awards shall be a member of the Board of Censors of the Medical Association of the State of Alabama. (Acts 1977, No. 663, p. 1125, §§ 2, 3.)

§ 16-47-123. Board of Medical Scholarship Awards - Powers and duties.

(a) The Board of Medical Scholarship Awards shall make a careful and thorough investigation of the ability, character, and qualifications of each applicant, and award scholarships and loans according to the judgment of the board. Preference in granting loans shall be given to applicants who sign agreements to practice in those areas in greatest need of medical service for periods of time to be stipulated by the board.

(b) The Board of Medical Scholarship Awards shall make reasonable rules and regulations for implementing and administering this division. (Acts 1977, No. 663, p. 1125, §§ 4, 10; Acts 1994, No. 94-103, p. 110, § 1.)

§ 16-47-123.1. Annual administration expenses.

The board shall establish the fiscal requirements for its annual administration expenses, which may be paid from funds from any source which are available to the board. (Acts 1994, No. 94-103, p. 110, § 3.)

§ 16-47-124. Types of awards.

There shall be two types of awards as follows:

1. **LOANS.** A number of loans equal in number to 20 percent of the student body of the medical schools in the State of Alabama, each in an amount of up to the average cost of tuition, fees, and living expenses, as set forth in the current catalogs of the University of Alabama School of Medicine or the University of South Alabama College of Medicine, for the year of each enrollment. These loans shall be available to any resident of Alabama of good character who has been accepted for
matriculation by one of the medical schools of Alabama preference being given to those applicants who can show an economic need, and who commit in writing to practice in a rural area in a generalists specialty as determined by the board. The board may, in its discretion, permit students to apply for a loan under this subdivision in any scholastic year and for any previously completed scholastic year of medical education. These loans shall be repaid following graduation, under the terms of a contract to practice clinical medicine in an area of Alabama identified by the board as medically underserved for a term of years, as hereinafter set forth.

2. **Merit Scholarships.** A number of merit scholarships equal in number to five percent of the student body of the medical schools in the State of Alabama, each in an amount not to exceed $5,000 (five thousand dollars) per annum or $20,000 (twenty thousand dollars) over a four-year period shall be granted to students with high scholastic achievement and excellent character who will attend one of the medical schools of the State of Alabama. The students to whom merit scholarships are granted shall not be obligated to repay the amount of the scholarship award. (Acts 1977, No. 663, p. 1125, § 5; Acts 1994, No. 94-103, p. 110, § 1.)

§ 16-47-125. **Repayment obligation may begin immediately upon discontinuation of medical education.**

Any recipient who fails for any reason to continue his or her medical education may, at the discretion of the board, be required to repay all loan amounts immediately with simple interest of eight percent annually from the date of his or her departure or removal from medical school. (Acts 1977, No. 663, p. 1125, §§ 6, 11; Acts 1994, No. 94-103, p. 110, § 1.)

§ 16-47-126. **Repayment of loans by performing certain services.**

The loan or any part thereof shall be repaid by engaging in full-time clinical practice, as defined in the regulations of the board, in one of the following ways, in accordance with a contract approved by the Board of Medical Scholarship Awards:

(1) Practice for a period equal to one year of practice for each year the individual received a loan in a community of less than 5,000 population which is in an area within Alabama identified by the board as medically underserved.

(2) Practice for a period equal to one and one-fourth years of practice for each year the individual received a loan in a community of more than 5,000 population and less than 15,000 population which is in an area within Alabama identified by the board as medically underserved.

(3) Practice for a period equal to one and one-half years of practice for each year the individual received a loan in a community of more than 15,000 but less than 50,000 population which is in an area within Alabama identified by the board as medically underserved.
§ 16-47-126.1. Award contracts in force prior to February 14, 1994 may continue; option available to re-contract under new provisions; additional board powers.

Individuals who have entered into contracts with the Board of Medical Scholarship Awards prior to February 14, 1994 shall be entitled to continue to receive the loans or merit scholarship, or both, in the amounts specified in the contract. Repayment shall be in accordance with the terms of the contract.

These individuals shall have the option to terminate an existing contract and enter into a new contract under the provisions of this division. The board shall prescribe in regulations the repayment obligations of any individual who receives loans in less than the full amount authorized by the board or who terminates an existing contract and enters into new contracts under this [division]. The board may, in its discretion, excuse repayment of a loan, in whole or in part, based upon the disability or other extreme hardship not the fault of the loan recipient. (Acts 1994, No. 94-103, p. 110, § 2.)

§ 16-47-127. Agreement by recipients to practice in certain areas; immediate liability upon default; penalty provisions; proceedings for recovery of amount due; death, disability may excuse repayment.

(a) Each recipient of a loan under this division shall enter into an agreement with the Board of Medical Scholarship Awards whereby the recipient agrees to practice in an area as defined in Section 16-47-126. In the event of a default or other breach of contract by the recipient of loans provided under this division, or other termination of contract prior to the completion of the period of medical education and training, the individual shall be liable for immediate repayment of the total principal loan amount plus interest at the rate of eight percent accruing from the date of default or termination and an additional penalty as specified:

(1) For default or termination of a loan for one scholastic year, a penalty equal to 20 percent of the total principal amount of the loan.
(2) For default or termination of a loan for two scholastic years, a penalty equal to 30 percent of the total principal amount of the loan.
(3) For default or termination of a loan for three scholastic years, a penalty equal to 40 percent of the total principal amount of the loan.
(4) For default or termination of a loan for four scholastic years, a penalty equal to 50 percent of the total principal amount of the loan.
(5) If default or termination occurs after the fourth year but prior to the completion of a residency training program accredited by the Accreditation Council on Graduate Medical Education in a
generalists specialty as determined by the board, a penalty equal to 100 percent of the total principal amount of the loan.

(6) If default or termination occurs after completion of a residency training program but prior to completion of the repayment obligation as set forth in Section 16-47-126, a penalty equal to 200 percent of the total principal amount of the loan.

(b) The Attorney General or any district attorney, upon request of the Board of Medical Scholarship Awards, shall institute proceedings in the name of the state for the purpose of recovering any amount due the state under this division. Any sums recovered under Section 16-47-125 or this section from loan recipients or paid by the recipients to the board shall be retained by the Board of Medical Scholarship Awards for funding of future scholarships.

(c) In the event of death of a recipient or upon the recipients' becoming permanently disabled to an extent that he or she is no longer able to engage in the practice of medicine, repayment of the loan may be excused by the board. (Acts 1977, No. 663, p. 1125, § 8; Acts 1994, No. 94-103, p. 110, § 1)

§ 16-47-128 Failure of recipient to perform loan agreement grounds for revocation of medical license; revocation proceedings.

The failure of a recipient of a loan to perform his or her agreement with the Board of Medical Scholarship Awards or to pay the amount he or she is liable for under this division shall constitute a ground for the revocation of his or her license to practice medicine. The proceedings to have the physician's license revoked shall be commenced upon the written complaint of the Board of Medical Scholarship Awards to the State Board of Medical Examiners. The proceedings shall be in accordance with Sections 34-24-310 to 34-24-381, inclusive, for the imposition of disciplinary sanctions on a license to practice medicine in this state. (Acts 1977, No. 663, p. 1125, § 9; Acts 1994, No. 94-103, p. 110, § 1.)

§ 16-47-129. Localities in need of physicians.

Any incorporated or unincorporated municipality or locality in the state having a population of less than 15,000, desiring additional physicians and wishing to be designated as a locality needing additional physicians, may apply to the Board of Medical Scholarship Awards to be placed on a list of localities in need of additional physicians, which shall be maintained by the board. Such applications may be made either by the municipal governing body or by a petition signed by at least one twentieth of the qualified electors of the municipality or locality. If the Board of Medical Scholarship Awards determines that such locality is in need of physicians, it shall place the locality on the list of localities in need of physicians from which recipients of scholarships may, upon graduation, select an area in which to practice. In compiling and maintaining the list, the board may place any locality thereon which, in its opinion, needs additional physicians. (Acts 1977, No. 663, p. 1125, § 12.)
ARTICLE 5.

UNIVERSITY OF ALABAMA SCHOOL OF NURSING

§ 16-47-130. Establishment.

There is hereby created and established a collegiate school of nursing in the University of Alabama to be under the sole management, ownership and control of the Board of Trustees of the University of Alabama for the purpose of providing a program of education and clinical training for the preparation of professional nurses. The school shall be autonomous under the direction of a dean, who shall be a nurse, and shall be known as the University of Alabama School of Nursing or by such other name as the said board of trustees shall hereafter designate. (Acts 1949, No. 596, p. 927, § 1.)

§ 16-47-131. Clinical and other educational facilities.

The University of Alabama is authorized to secure clinical and other educational facilities for the students of the nursing school in approved hospitals and health agencies and institutions by contract or other arrangements. (Acts 1949, No. 596, p. 927, § 2.)

§ 16-47-132. Payment of expenses.

The expenses incurred in and the cost of carrying out the provisions of this article shall be paid out of funds appropriated for that purpose by the Legislature. (Acts 1949, No. 596, p. 927, § 3.)

§ 16-47-133. Appropriations made under article not to adversely affect other appropriations made to university.

Since it is the purpose of this article to establish and maintain a collegiate school of nursing to be administered by the Board of Trustees of the University of Alabama, and since the said board of trustees in order to carry out that purpose, must necessarily continue to operate the University of Alabama as an institution accredited by the national and regional standardizing agencies, it is hereby expressly provided that appropriations made under this article, being set apart exclusively for the said school of nursing and for no other purpose, shall not adversely affect appropriations made to the university in support of its other schools, colleges, divisions and activities. (Acts 1949, No. 596, p. 927, § 4.)

§ 16-47-134. Report to Legislature.

It shall be the duty of the board of trustees to make to the Legislature of Alabama at each regular session thereof a full report of its transactions under this chapter and of the condition of the nursing school, embracing an itemized statement of all receipts and disbursements on account of said nursing school. (Acts 1949, No. 596, p. 927, § 5.)

There shall be awarded each year 125 scholarships to the University of Alabama School of Nursing for nursing education. These scholarships shall be awarded to applicants from the state-at-large. They shall be distributed, insofar as practicable, throughout the state, and may be distributed to students in any year of study in said school of nursing. (Acts 1957, No. 591, p. 828, § 1; Acts 1971, No. 2303, p. 3716, § 1.)


To be eligible to receive a scholarship provided by this article, a person must have been a resident of the State of Alabama for a period of at least one year immediately preceding the time of making application and must be a person of good character, who shall have been accepted for matriculation by the authorities of the University of Alabama and shall have met the requirements for professional nursing education as determined by the University of Alabama School of Nursing. Applications for scholarships shall be made to the University of Alabama School of Nursing. (Acts 1957, No. 591, p. 828, § 2; Acts 1971, No. 2303, p. 3716, § 2.)

§ 16-47-137. Scholarships - Amount and conditions; selection of recipients.

Each scholarship provided for by this article shall be in the amount of $600.00 per year payable from funds appropriated to the University of Alabama School of Nursing for this purpose. A scholarship may either be renewed by the school of nursing for the same student or awarded to another applicant for the scholarship. Appropriate competitive examinations of aptitude and ability shall be administered to the applicants by the University of Alabama School of Nursing. The results of the examinations shall be used as guides in the selection of the recipients of the scholarship from the various geographical areas of the state. In case a scholarship student fails to complete the course prescribed for the baccalaureate degree in nursing, the student must repay the amount of scholarship funds used. Any funds thus collected may be used as scholarship assistance for other nursing students. A scholarship student must agree to practice professional nursing in the State of Alabama for at least one year after completing the course at the University of Alabama. (Acts 1957, No. 591, p. 828, § 3; Acts 1971, No. 2303, p. 3716, § 3.)

ARTICLE 6.

UNIVERSITY OF ALABAMA, HUNTSVILLE.

§ 16-47-150. Scholarships to division of nursing - Established; distribution.
There shall be awarded each year 30 scholarships to the Division of Nursing, University of Alabama, Huntsville, Alabama, for nursing education. These scholarships shall be awarded to applicants from the state-at-large. They shall be distributed insofar as practicable throughout the state. (Acts 1971, No. 2290, p. 3691, § 1.)

§ 16-47-151. Scholarships to division of nursing - Who eligible.

To be eligible to receive a scholarship provided by this article, a person must have been a resident of the State of Alabama for a period of at least one year immediately preceding the time of making application and must be a person of good character and shall have been accepted for matriculation by the authorities of the University of Alabama, Huntsville, Alabama and shall have met the requirements for professional nursing education as determined by the Division of Nursing of the University of Alabama, Huntsville, Alabama. (Acts 1971, No. 2290, p. 3691, § 2.)

§ 16-47-152. Scholarships to division of nursing - Amount and conditions; selection of recipients.

Each scholarship provided for by this article shall be in the amount of $600.00 per year, payable from funds appropriated to the Division of Nursing of the University of Alabama, Huntsville, Alabama for this purpose. A scholarship may either be renewed by the said school of nursing for the same student or awarded to another applicant for the scholarship. Appropriate competitive examinations of aptitude and ability shall be administered to the applicants by the Division of Nursing of the University of Alabama, Huntsville, Alabama. The results of the examinations shall be used as guides in the selection of the recipients of the scholarships from the various geographical areas of the state. In case a scholarship student fails to complete the course prescribed for the baccalaureate degree in nursing, that student must repay the amount of scholarship funds used. Any funds thus collected may be used as scholarship assistance for other nursing students. A scholarship student must agree to practice professional nursing in the State of Alabama for at least one year after completing the course at the Division of Nursing of the University of Alabama, Huntsville, Alabama. (Acts 1971, No. 2290, p. 3691, § 3.)

ARTICLE 7.

SCHOOL OF SOCIAL WORK OF ALABAMA.

§ 16-47-170. Established; minimum course of instruction.

There is hereby created and established a graduate school of social work in the State of Alabama, to be under the sole management, ownership and control of the Board of Trustees of the University of Alabama. This school shall provide not less than a two-year course of instruction in social work and related subjects on the graduate level. It shall be
known as the School of Social Work of Alabama; however, the board of trustees of the university may change this name. (Acts 1965, 1st Ex. Sess., No. 234, p. 314, § 1.)

§ 16-47-171. Powers and duties of board of trustees of university generally; school to be separate graduate school; qualifications of dean.

The Board of Trustees of the University of Alabama is hereby given full power and authority to maintain and operate the school of social work created by this article. It may set, establish and maintain standards of scholarship and teaching, but all such standards shall conform at least to the minimum standards prescribed by the standardizing agency or association for graduate schools of social work. The board of trustees of the university shall perform all acts and functions necessary or appropriate to carry out the intent and purpose of this article. The school of social work shall be a separate graduate school, with its own dean, but nonetheless a part of the University of Alabama. The dean shall possess such qualifications for the position as are prescribed by the board of trustees, but the board of trustees must include in its prescribed requirements actual training and experience as a professional social worker. (Acts 1965, 1st Ex. Sess., No. 234, p. 314, § 2.)

§ 16-47-172. Scholarships; standards and requirements for admission.

The Board of Trustees of the University of Alabama is authorized and required to establish 10 scholarships for the benefit of 10 students in the school of social work. Each scholarship shall be in the amount of $1,800.00 per year. These scholarships shall be payable from the annual appropriation to the school of social work. To be eligible for one of these scholarships a person shall be a young man or woman of good character and shall have been accepted for matriculation by the authorities of the school of social work in accordance with the current standards and requirements of such school. These standards and requirements must, in turn, meet in every way the requirements for admission to an approved graduate school of social work. In awarding these scholarships, preference shall be given to applicants from counties in which there is a severe shortage of professionally trained social workers. (Acts 1965, 1st Ex. Sess., No. 234, p. 314, § 3.)

§ 16-47-173. Residents to have preferential consideration for admission.

Applicants for admission to the school of social work who are bona fide residents of the State of Alabama, if they meet the admission requirements of the school, shall have preferential consideration for admission to the school. (Acts 1965, 1st Ex. Sess., No. 234, p. 314, § 4.)

§ 16-47-174. Appropriations made under article not to adversely affect other appropriations made to university.

Since it is the purpose of this article to establish and provide for the maintenance of a standard two-year graduate school to be administered by the University of Alabama, and since in order to carry out that purpose the University of Alabama itself must continue to
be accredited by the national and regional standardizing agencies, it is hereby expressly provided that appropriations made by or under this article, being expressly set apart exclusively for the school of social work and for no other purpose, shall not adversely affect appropriations made to the university in support of its other schools, colleges, divisions and activities. (Acts 1965, 1st Ex. Sess., No. 234, p. 314, § 5.)


It shall be the duty of the board of trustees of the university to make to the Legislature at each regular session thereof a full report of its transactions under this article and of the condition of the school of social work. Such report shall include an itemized account of all receipts and disbursements on account of the school of social work by those charged with the administration of the finances thereof. (Acts 1965, 1st Ex. Sess., No. 234, p. 314, § 6.)

ARTICLE 8.

UNIVERSITY OF ALABAMA MUSEUM.

§ 16-47-190. Definitions.

For purposes of this article, the following words and phrases shall have the respective meanings ascribed by this section:

(1) UNIVERSITY OF ALABAMA. The Board of Trustees of the University of Alabama.

(2) UNIVERSITY OF ALABAMA MUSEUM. Mound state monument, the archeological shrine, the historical museum and the recreational area located near the town of Moundville, Alabama and situated partially in Tuscaloosa and Hale Counties, Alabama, and the museum, shell collection, beetle collection, coin collection and other museum properties owned by the Alabama Museum of Natural History, Incorporated, which are in the custody or under the control of the geological survey of Alabama.

(3) MUSEUM FUND. The fund created in this article for the depository of money by the Board of Trustees of the University of Alabama to be used for expenditure upon operation, development, protection, expansion, planning and maintaining the land, facilities and equipment in Tuscaloosa and Hale Counties, Alabama as a state monument, archeological shrine, historical museum, recreational area or University of Alabama Museum. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 1.)
§ 16-47-191. University authorized to acquire land for museum - Generally; cooperation with others.

The University of Alabama, in addition to other powers, shall have the right, power and authority to acquire, in the name of the University of Alabama, by purchase, lease, agreement, license, condemnation or otherwise, the fee simple interest in and to land in Tuscaloosa and Hale Counties, Alabama for the purpose of developing, preserving, improving, protecting or maintaining same as a museum, which shall include an archeological museum, historical shrine and recreational area, and to accept, in fee or otherwise, lands donated, entrusted, conveyed or devised for like purposes in said counties. It may contract and make cooperative agreements with the federal government and its agencies, with municipalities, corporations, associations, partnerships or individuals for the purpose of acquiring, planning, establishing, developing, utilizing, operating, protecting or maintaining such museum. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 2.)

§ 16-47-192. University authorized to acquire land for museum - from Alabama Museum of Natural History.

The University of Alabama, in addition to other powers, shall have the right, power and authority to acquire in the name of the University of Alabama by purchase, gift or otherwise the fee simple interest in and to land in Tuscaloosa and Hale Counties, Alabama from the Alabama Museum of Natural History for the purpose of developing, preserving, improving, protecting and/or maintaining same as a University of Alabama Museum, which shall include an archeological museum, historical shrine and recreational area, and in the acquisition of said land the University of Alabama is hereby authorized to enter into such escrow agreements as may be deemed necessary. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 3.)

§ 16-47-193. Erection, maintenance and improvement of buildings.

Upon any land specified in this article the University of Alabama shall have the right, power and authority to erect, equip, maintain or improve such buildings or facilities as may be deemed necessary for the purposes of developing, preserving or protecting such land as a University of Alabama Museum. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 4.)

§ 16-47-194. Acquisition of personal property for museum; place of display.

The University of Alabama may acquire from the Alabama Museum of Natural History, Incorporated or elsewhere, by gift, purchase or otherwise, any personal property which may be deemed necessary or advisable in the proper operation or management of the University of Alabama Museum provided for in this article. Upon such acquisition such property shall become the property of the said University of Alabama to be used, sold, traded or otherwise disposed of as may be deemed proper or advisable; such property may be displayed by the University of Alabama any place deemed by it to be advisable. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 5.)
§ 16-47-195. Construction and operation of recreational facilities.

The University of Alabama, in addition to other powers, shall have the right, power and authority to construct and operate suitable public service or recreational privileges and conveniences on any land or water embraced within the scope of this article and to charge and collect reasonable fees for the use of same and to enter into contracts for the operation of any such privilege or convenience and to enter into contracts with the federal government and with states, counties, municipalities, corporations, associations or individuals for the purpose of constructing, planning, utilizing, developing, expanding, protecting or maintaining any such privileges or conveniences or any building or facility appertaining thereto. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 8.)

§ 16-47-196. Geological survey authorized to transfer property to and make collections for museum.

The geological survey of Alabama is hereby empowered and authorized to convey to the University of Alabama by gift or otherwise any of its property as it may deem proper, for use, exchange or display in the University of Alabama Museum, and upon such conveyance said property shall become the property of the University of Alabama to be used, exchanged or displayed by it in the operation or development of the said University of Alabama Museum. The geological survey of Alabama is further authorized to make such collections from time to time in the future which it may deem to be of value to the University of Alabama Museum and to convey such collections or parts thereof to the University of Alabama for any purpose specified in this article. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 7.)

§ 16-47-197. Powers of university over personal property acquired for use or display.

Any personal property acquired by the University of Alabama for use or display in its museum may be used or displayed at any place deemed by it to be advisable, and such property may be sold or exchanged as the University of Alabama shall deem proper. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 8.)

§ 16-47-198. Employees for museum; teaching at museum.

The University of Alabama shall, subject to the provisions of the State Employees' Retirement System, determine the number of employees needed for the efficient and economical performance of the functions and duties of the said University of Alabama Museum and shall hire such employees to operate, manage and maintain the same. The study and teaching of archeology, history and related subjects at said University of Alabama Museum shall be under the jurisdiction of the University of Alabama, and the same shall be achieved and performed in a manner similar to other studies and teachings at the said university. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 9.)
§ 16-47-199. Rules and regulations; punishment of violations; powers of police officers appointed by university president.

The University of Alabama shall have the power and authority to make, establish and promulgate such reasonable rules and regulations, not in conflict with the laws of Alabama, which may be deemed for the best interest of the operation, development, protection, maintenance and management of the University of Alabama Museum, which rules and regulations shall have the force and effect of law. Such rules and regulations shall be published in printed form and shall be made available to the general public and visitors to said University of Alabama Museum. Such rules, so published, shall be received in evidence in any court in this state without further proof. A violation of any rule or regulation made, established or promulgated in accordance with the provisions of this article shall be a misdemeanor. All persons appointed as police officers by the president of the University of Alabama, as provided for by law, are hereby constituted peace officers of the State of Alabama with full and unlimited police power and jurisdiction to enforce the rules and regulations promulgated by virtue of the authority contained in this article. Such police officers are clothed with the power and authority of deputy sheriffs and shall arrest without warrant and carry before the district court of the county in which an offense is committed any person violating any of the rules and regulations made and promulgated under the authority provided for in this article. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 10.)


All money arising from fines and forfeitures from violations of the rules and regulations as provided for in this article shall be forwarded by the court having jurisdiction over such violations to the University of Alabama to be deposited into the University Museum Fund. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 11.)

§ 16-47-201. Construction and maintenance of roads to and within museum grounds.

The State Department of Transportation is hereby authorized and empowered upon the request of the University of Alabama to construct, reconstruct and maintain roads leading from a state highway to any land included within the scope of this article and to construct, reconstruct and maintain roads within the boundaries of lands included within the scope of this article. The construction and reconstruction of such roads shall be in accordance with the development plan for the said land as approved by the University of Alabama. Such roads leading to said land or lying within said land shall be constructed, reconstructed and maintained in such manner as may be agreed upon between the State Director of Transportation and the University of Alabama. The costs of such construction, reconstruction and maintenance made by the said State Department of Transportation shall be paid from the State Highway Fund. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 12.)
§ 16-47-202. Counties or municipalities may contribute land or funds for museum; contributions by others.

Any county and any incorporated city or town in the State of Alabama is hereby authorized and empowered to donate, convey and grant to the University of Alabama any land owned by it or which it may hereafter acquire to become a part of the University of Alabama Museum as herein provided for, and any county and incorporated city or town in the State of Alabama and any corporation, association, partnership or individual may contribute money to the University of Alabama to be used and expended in extending, improving, operating or maintaining said University of Alabama Museum. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 13.)


There shall be a University of Alabama Museum Fund. All moneys received from gifts or bequests or from county or municipal appropriations or moneys appropriated by the State of Alabama shall be deposited by the treasurer of the University of Alabama to the credit of said fund. There shall also be deposited in said fund all moneys received from any concession business conducted upon the land or water included in this bill and also any moneys accruing to the University of Alabama as an incident to the operation or ownership of the University of Alabama Museum, by virtue of the sale or rental of real or personal property or from whatsoever source. The said fund hereby created shall be used and expended by the University of Alabama in accordance with the terms of the gift, bequest, grant, appropriation or donation from which said moneys are derived, in the same manner, by the same authority and for the purposes stipulated in this chapter. In the absence of any such terms or stipulations, said moneys in said fund shall be expended by the University of Alabama in furtherance of any provisions of this chapter. All expenses of the University of Alabama Museum shall be payable from said fund by requisition in the same manner and under the same authority as other funds of the University of Alabama are expended; provided, no funds appropriated by the State of Alabama shall be withdrawn or expended for any purpose whatsoever unless the same shall have been allotted in accordance with the provisions of Article 4 of Chapter 4 of Title 41 of this Code, and only in the amounts and for the purposes provided by the Legislature in the general appropriation bill. It is not the intent of this article to require the University of Alabama to support the University of Alabama Museum from its educational appropriations or its other educational resources, but only from those sources of income set forth herein, including state appropriations for the said museum fund. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 14.)

§ 16-47-204. Governor may convey interest of state in museum lands to university.

In the event the State of Alabama has or claims any interest in any of the land which is conveyed to the University of Alabama under the provisions of this article, the Governor of Alabama is hereby authorized to convey such interest to the University of Alabama by state patent, which patent shall vest title of said land in and to the University of Alabama. (Acts 1961, Ex. Sess., No. 102, p. 2018, § 15.)
APPENDICES
APPENDIX A

THE MISSION OF THE UNIVERSITY OF ALABAMA SYSTEM
Approved by The Board of Trustees on April 18, 2003

The University of Alabama System consists of three doctoral research universities: The University of Alabama, The University of Alabama at Birmingham, and The University of Alabama in Huntsville. The System is governed by The Board of Trustees of The University of Alabama as stipulated by the Alabama Commission.* The purpose of the Board of Trustees is to ensure the effective leadership, management, and control of the institutions of the System in order to provide for a definitive, orderly form of governance, and to secure and maintain responsive, progressive, and superior institutions of higher education. The Board of Trustees created the present multi-campus structure in 1969, and each of the component institutions has a unique mission that is consistent with the broader mission of the System.

The Board of Trustees executes its governance responsibilities through a chancellor, who serves as the chief executive officer of the System. A president heads each campus with responsibility for campus administration and reports directly to the Chancellor and through the Chancellor to the Board of Trustees. The Board of Trustees and the Chancellor delegate certain administrative functions and maintain such offices as deemed appropriate to meet the administrative needs of the System. The Chancellor also provides linkage between the System and various components of state and federal governments, as well as other educational groups and organizations.

The Institutions of The University of Alabama System exist to serve all people of Alabama through teaching, research, and service programs. As resources permit, the institutions extend these functions to the nation and beyond through a wide variety of educational programs and services. The institutions of the System assist students in developing the knowledge, skills, attitudes, and behaviors necessary to function as responsible and productive citizens in a democracy. They endeavor to improve the quality of life through programs for high-quality research, public service, outreach, cultural enrichment, health care, and economic advancement.

*The official description of the corporate body, encompassing the three-institution organization and the System administration, is The Board of Trustees of The University of Alabama. For the purpose of this mission statement the term System shall be used to refer to the entire corporate body.
The Mission of The University of Alabama System is based on these principles:

1. The careful management of resources is achieved through strong and responsive governance. The System maintains an effective process for the review and approval of academic and financial matters at the institutions and System levels and strives to achieve the most effective and efficient use of resources by encouraging inter-institutional cooperation whenever possible and appropriate.

2. The System promotes opportunities for equal access for all qualified students and values diversity among its students, faculty, staff, and administration.

3. The System encourages collaboration with elementary/secondary schools, community colleges, and other institutions of higher education whenever possible and appropriate and supports the PK-Ph.D. concept as a way of helping to ensure high-quality programs, services, and student performance at all levels of education.

4. The quality of education is regularly assessed with the goal of improvement. The System promotes careful planning, review, and evaluation to ensure the best possible results from the programs, services, and activities of its institutions.

5. The System recognizes that its component institutions differ in mission, role, scope, and academic characteristics, and is committed to maintaining institutional diversity.

6. To achieve selective excellence, the System recognizes that academic resources may be concentrated according to different patterns at different institutions and with different results.

7. The System helps stimulate the continuing awareness of ethics and human values.

8. The System assumes an active role in advocating for and responding to the needs of its component institutions.

9. The System recognizes the linkage between a quality system of higher education and future economic opportunities for its students and acknowledges its vital role in promoting the economic advancement of Alabama.

10. The System supports its institutions as they engage in high-quality, innovative, and relevant research that involves the discovery, dissemination, and application of knowledge.

11. The System recognizes the need to serve citizens beyond the boundaries of the campuses through outreach programs and services.

12. The System is committed to providing high-quality health care through its hospitals and clinics as it engages in preeminent medical education, research, and health related programs.

13. The strength of the System depends on the quality of its leadership. A commitment to seek, appoint, and support administrators, faculty, and staff who ascribe to sound academic principles and possess professional and personal characteristics that ensure solid and positive growth of all aspects of the System is essential.

Approved by the Board of Trustees on April 18, 2003
Academic Affairs, Student Affairs, and Planning Committee, 13, 128, 161-162, 213-235, 251-252
chairman, 13
responsibilities of, 217-235
academic chairs, designation of holders of, 251-254
academic chairs, establishment of, 251-254
academic program planning, 249-250
academic program, reactivating, 243-244
academic program status, changes in, 243-244
academic program, terminating, 244
academic programs, review of existing, 241-242
Academic, Research, Service, and Administrative Units, 237-240
academic units, 67, 238-244. See also programs, academic
Academic, Research, Service, and Administrative Units, 237-240
Accounting, Financial, and Reporting, 97-98
ACHE (Alabama Commission on Higher Education), 16, 125-126, 128, 215, 217-235, 246, 249-250
administrators, senior, defined, 43-47
admission policies, 7, 53
agenda, for Board meetings, 10-11, 29-31
Alabama Museum of Natural History, 274, 300-304
Alabama Teachers’ Retirement System, employment of or contracting with individuals who are receiving retirement benefits from, 89
alternative assets, 102
annual financial reports, campus, 97
Annual Operating Budgets, 129-130
appropriations requests, legislative, 7, 13, 16, 18, 95, 125-128, 162, 214
architects, selection and approval of, 8, 159-160, 165, 177-180
asset allocation, 13, 101-103, 105-106
Athletics Committee, 14
athletics, intercollegiate, 14, 18
attendance at committee and subcommittee meetings, 15
Audit Committee, 14, 97, 117-119
Auditing Operations, 117-119
Auditor, responsibilities of the General, 14, 118-119, 121-124
auditors, previous service with external, 91
audits, 8, 13-14, 17, 46, 117-119, 124
external, 14, 91, 118-119
internal, 14, 118, 121-124
state and federal, 119

Baccalaureate Degree Program, new, 223-228
bank director, appointment as, restricted, 79
banking relationships, 79, 119
Bidgood Chair of Finance and Economics, 140-141

315
Board of Trustees. See also names of individual committees
as body corporate, 277
committees, 12-15
compensation of, prohibited, 7, 45, 271, 281-283
composition of, 5
and Dental College of Alabama, 272, 284-289
election of, 6, 15, 269, 271, 281
emeri members, 6-7, 269
ex officio members, 5-6, 9, 30, 269, 281
meetings, 8-12, 15, 29-31, 34, 96, 197, 272, 282
and Museum, 300-304
officers, 10-11
organization, 29-31
powers of, 5, 7-8, 10, 272, 278, 283, 285, 289-290, 299, 307
primary function, 7-8
quorum, 9
reimbursement of, 7, 269, 281-282
retirement and Emeritus Trustee status, 6
and School of
  Medicine, 289-295
  Nursing, 296-298
  Social Work, 298-300
seal, 18-20
term of office, 6, 281, 286
and UASMEP (University of Alabama System Medical Education Program), 271-274
Board Rules, adoption, amendment, or repeal of, 20, 49
boards
  Dental Scholarship Awards, Board of, 286-289
  Dentists Advisory Board, 274-285
  Medical Scholarship Awards, Board of, 292-295
  Physicians Advisory Board, 289-290
bonds, procedures for issuing, 199-209
budgets, 7-8, 13-14, 16-18, 70, 95, 99, 129-130
buildings, naming, 7, 14, 35-36, 38-39, 132
bylaws, adoption, amendment, or repeal of, 20
campus annual financial reports, 97
Campus Master Plan, 8, 13, 16, 18, 165-166, 197
capital assets, planning and management, 7, 159-196
  board approval required, 159-168
  business plans for, 180-183
  facilities management, 164
  planning and project development, 160-163
  specific guidelines for, 162, 165-168
Capital Development Plan, 13, 161-162, 165, 188-194, 197
Capital Request to the Legislature, 162
centers (institutes), 214, 237-240
chairs, academic, 7, 132-151, 251-254
chairs, short-term appointments to endowed, 252-253
Chancellor
  compensation for, 14, 87
duties of, 15-17, 307
  academic chairs and endowed professorships, 251-254
agenda for Board meetings, 10, 29-30
appointment of General Counsel, 11
athletic programs, 14
budgets, 95-96, 129-130
compensation, 69-72
expense reimbursement, 7, 269, 281-282
with Finance Committee, 95
gifts, 131-137
handbook review, 81
legislative appropriations requests, 13, 16, 95, 125-129, 162
tenure, 65-67, 83
housing and moving expenses of, 85-86
sabbaticals for, 87
tenure for, 83
Chancellor's Advisory Council (campus Presidents), 30
Coal Lease Revenues as Endowments, 142-149
Code of Alabama, 1975, 271-304
college, defined, 239
committees, 12-15, 31. See also names of individual committees
  attendance, 15
  chairman of, 12
  method of operation, 12
  organization, 12
  standing, 12
  subcommittees, 15
  vacancies, 12
commodities, 102
Community Health Sciences, College of, 271-272
compensation
  Board of Trustees, prohibited, 7, 45, 271, 281-283
  executive officers, 69-70
  policy, 8, 69-72, 281
Compensation Committee, 14, 69-72
Compensation Policy, 69-72
composition of the Board, 5
confidentiality, rules regarding, 46
conflict of interest, 43-47, 77-78
congressional districts, Board members elected from, 5-6, 269, 277, 281

317
Constitution of Alabama, 269-270
Contracting with or employment of individuals who are receiving retirement benefits from the Alabama Teachers’ Retirement System, 89
contracts
  authority to enter into, 8, 85, 89, 95, 157, 167, 294, 302
  and drug-free workplace compliance, 73-74
Cooperative, Joint and Shared Degree Programs, 245-248

degrees. See also programs, academic
  academic, 7, 213, 217, 219, 223, 226, 229, 241, 243, 245-250, 283, 298-299
  honorary, 7, 13-14, 35-40
  posthumous, 61
Dental College of Alabama, 284-289
department, academic, defined, 250
deposit of University funds, 111-112
derivatives, use of, 103
directed brokerage commissions, 103
discipline, of students, 59
disclosure by Board Members, 44
disclosure by Senior Administrators, 44-45
Distinguished Professor, 253-254
Distinguished Research Professor, 254
Distinguished Service Professor, 254
division, academic, defined, 239
drug-free workplace requirements, 73-74
easements, utility, 157
1884 Federal Land Grant, 131, 139-149
Emeriti Trustees, 6-7, 269
employees. See personnel
Employment of or Contracting with Individuals who are Receiving Retirement Benefits from the Alabama Teachers’ Retirement System, 89
Endowed Chairs, 144-145
Endowment Areas to receive Coal Royalty Income, 145-147
endowment funds, investment criteria for, 104
Endowment Funds, Investment Policy for, 101-104
Endowment Spending Policy, 102
endowments. See gifts; professorships, endowed
Endowments, Coal Lease Revenues as, 142
Endowments, Separately Invested, 103
engineers, selection and approval of, 8, 159-160, 165, 169-172
equipment, justification and approval of, 8, 13, 160, 163, 173, 180-183, 197
establishing a new certificate program, 219-220
establishing a new degree program, 217-220
establishing new programs, 217-235
ethics, 43-47, 123-124, 308
Executive Committee, 8, 10-12, 15-16, 20, 33-34, 44-45, 47, 113-114, 133-134, 140, 272, 284
operation of, 33-34
vacancies, 12
executive officers, compensation of, 69-70
existing degree programs, review of, 241-242
external audit, 118-119
External Auditors, Previous Service With, 91

Facilities Development Plan, Five-Year, 161, 165
facilities, planning and management. See capital assets, planning and management
faculty. See personnel
federal and state audits, 119
Federal Bureau of Mines, Department of the Interior, 280
Federal Land Grant (1884), 131, 139-149
files, 41
Finance Committee, 12-13, 95-96, 162, 202, 204
chairman, 12
Finance Committee Operations, 95-96
Financial Accounting and Reporting, 97-98
financial exigency, 13, 65-67, 141
financial reporting, 13, 97-98, 129-130, 296. See also budgets
annual, 97-98
gifts, 131-133, 278
to Legislature, 283, 285, 290, 296, 300
fund raising, 13, 18, 35, 133-134
funds, 7-8, 13, 18, 69, 89, 101-108, 111-115, 131, 134, 136-137, 139-149, 151, 156, 159, 161, 172, 190-191, 193, 195, 199, 201, 227, 233-234, 238-239, 255-256, 270, 277, 280, 283, 292, 296-298, 304. See also deposit of University funds; financial reporting; gifts
appropriations, 7, 13, 16, 95, 125-130, 141, 162, 226, 272-274, 285, 290, 296, 299-300, 304
budgeting, 7-8, 13-14, 16-18, 70, 95, 99, 129-131, 140, 159, 161, 165-167, 170, 185, 214, 219, 238-239
Library, 131-141
Museum, 300-304
state treasury, 270, 277
transactions involving, authorized, 115
University of Alabama System Office, 99

General Auditor, 14, 91, 117-119, 121-124
duties of, 121-124
General Counsel, duties of, 8, 11

319
geological survey, Alabama Museum of Natural History, 300, 302
gifts, 7, 44, 46, 103, 104, 131-137, 191, 193, 271, 278, 304
accepting, 7, 103, 104, 131-137, 304
acknowledging, 135
named, minimum standards for, 131-137
provisions for, in Alabama Code, 278, 304
reporting, 131-137
soliciting, 134
Governor, 5, 9-10, 16, 19, 155, 269, 275, 277-278, 282-284, 289, 292, 304
Graduate Degree Program, new, 229-235

Halls of Fame, establishment of and induction into Institutional, 263
handbooks, personnel, 81
Health System Board, UAB, 13, 15
hedge funds, 102
Honorary Degrees and Recognition Committee, 13-14, 35-40
honors, bestowing, 7, 13-14, 35-40, 253, 269. See also chairs, academic; professorships, endowed
Hospital, University of Alabama, 97, 163, 180, 195, 199-201, 203, 259, 296, 308
housing expenses, for Chancellor or President, 85-86

Institute of Internal Auditors, code of ethics, 124
institutes (centers), 237-240
internal audit, 117
Internal Audit Policies and Standards, 121-124
international equity portfolios, 102
Investment Committee, 13, 17, 101-109
investment managers. See managers, financial (Endowment Funds)
  Responsibilities of, 101-109
investment objectives, 101-102, 105-106
Investment Policy and Guidelines, 101-109
Investment Policy for Endowment Funds & Non-Reserve Assets, 101-104
Investment Policy for System Reserves, 105-106

Land Grant (1884), 131, 139-149
Law, School of, 135, 137, 278
leases, 33, 140, 163, 173, 176-179, 184
lectureships, establishment of endowed, 251-254
Legal Affairs Committee, 15
Legislative Appropriations Requests, 125-128
Legislative relationships, 127
appropriations requests to, 7, 13, 16, 33, 95, 125-128, 162, 214
reports submitted to, 272-273, 283, 285, 290, 296, 300
Library Endowment, 143-144
Library, University of Alabama, funds for, 139-149
Life Income and Annuity Funds, 104, 136
loans. See scholarships

Management of Facilities and other Capital Assets, Planning and, 159-196
manager benchmarks, 101
Master Plan, 8, 13, 16, 18, 160-163, 165-166, 197
Medical School, 289-295
meetings, Board, 9-12, 29-31
adjourned, 9
agenda, 10
attendance at, 9
executive session, 10
minutes of, 9
place of, 9
quorum at, 9
rules of order, 10
special, 9
Mines, School of, 280
minor, defined, 55, 57
Minutes, Board of Trustees, 9, 11, 29, 31, 44, 81, 83
mission statement, UAS, 307-308
moving expenses, for Chancellor or President, 85-86
Museum, University of Alabama, 300-304

Naming of Buildings, 13-14, 35-36, 38-39
Naming of Programs, 36
Natural History Museum, 300-304
New programs, establishing, 217-235
NISP (Notification of Intent to Submit a Proposal), 218-219, 221-222, 231, 250
Nominating Committee, 15
Non-Hospital Related Projects, Business Plan for, Attachment L to Board Rule 415, 195-196
Non-resident Tuition Policy, 55-58
non-residents, students as, 55-58
Nursing
Division of (UAH), 297-298
School of (UA), 296-297
Officers, 10-11
Offices, the Board of Trustees, 15
official residence, for Chancellor or President, 85-86
operating budgets, annual, 129-130
Operations, Audit Committee, 117-120
Operations, Auditing, 117-120
organic law of the UAS, 27, 81
organization chart, UAS, 308
Organization of the Board of Trustees, 29-31
organization of the UAS, 15
ownership and preservation of records and files, 41, 282

Patent Policy, 255-258
patents, 33, 139, 255-258
   Federal Land Grant (1884), 131, 139-149
personal belongings, defined, 85
personnel,
   handbooks, 81
   political activity of, 77-78
   recognition of, 83-84
   salaries of, 8, 70, 126, 233, 235, 282
   tenure for, 65-67, 83
Physical Properties Committee, 13, 159-162, 171-172, 186-187, 197-198
Plan for Non-Hospital Related Projects, Business, Attachment L to Board Rule 415, 195-196
Planning and Management of Facilities and Other Capital Assets, 159-196
Planning and Project Development, Capital Asset, 160-164
police officers, University, 271, 275, 279, 303
Policy, Compensation, 8, 69-72
political activity, employees', 77-78
Pooled Endowment Fund, 102-103, 105
pooled funds, 105
posthumous degrees, 61
President of the Board, 10
President pro tempore of the Board, 7-12, 15, 17, 29-31, 37, 44-45, 96, 99, 198, 272, 281
   appoint chairs of committees, 12
Presidents, University
   compensation for, 87
   duties of, 7, 17-18, 37-39
      academic program planning, 249-250
      admission policies, 53
      agenda items, 29-30
      athletics, intercollegiate, 14, 18
      audits, 123-124
budgets, 129-130
compensation, 69-72
drug-free workplace compliance, 73-74
facilities management, 184
gifts, 131-137
handbooks, 81
investments, 101
patents, 33, 139, 255-258
police officers, 271, 275, 279, 303
recognition of personnel, 83-84, 254, 263
students
  admission of, 7, 18, 53
  defining "resident," 55-57
  disciplining, 59
  tenure, 65-67, 83
housing and moving expenses of, 85-86
sabbaticals for, 87
tenure for, 83
Previous Service With External Auditors, 91
Primary Medical Care, School of, 136-137
private equity, 102
Procedures for Issuing Bonds, 199-209
Procedures for Recommending Honorees, 37
Professor, Distinguished, 253
Professor, Distinguished Research, 254
Professor, Distinguished Service, 254
Professor, University, 254
Professor, University of Alabama Trustee, 253
Professor, University Research, 254
Professor, University Service, 254
professorships, designation of holders of, 251-254
professorships, endowed, 132, 251-252
programs, academic, 13, 35, 63, 132, 217-235, 241-250. See also academic units; Dental
  College of Alabama; and names of individual Schools
certificate
  changes in, 240, 243-244
  new, 219-220
degree
  changes in, 243-244
  cooperative, 245-246
  joint, 247-248
  new, 237, 246
  planning process, 249-250
  review of, 249-250
  shared, 247-248
  termination of, 244

323
museum, 300-304
naming, 13, 35-36, 38-39, 132-133
residency (medical), 259-260
Project Development, Capital Asset Planning, 160-163
Project Information Worksheet, Supplemental, Attachment K to Board Rule 415, 188-194
Projects, Business Plan for Non-Hospital Related, Attachment L to Board Rule 415, 195-196
property
personal, 18, 56, 301-302, 304
real (see also capital assets, planning and management)
  acquisition and disposition of, 8, 12-13, 33-34, 140, 160, 163, 174-179, 184,
  197-198, 277, 283, 291, 301-302, 304
  agent designated to evaluate, 163, 174-176, 178-179, 184
  leasing, 12-13, 33, 140, 163, 176, 178-179, 197, 283, 291
  utility easements, 157
public disclosure, and conflict of interest, 43-47
Public Review Committee, 44, 47

quality assurance, internal audit, 123
quorum, defined, 9, 282

real estate. See property, real
Recognition, Honorary Degrees and, 13-14, 35-40
recognition
  of donors (see honors, bestowing), 35-36, 134-135
  of personnel, 83-84, 263
records and files, ownership and preservation of, 41, 282
reimbursement
  for travel, 152-156
  to Trustees, 7, 269, 281-282
repeal of Board rules, 20, 49
reports. See financial reporting
research units. See centers (institutes)
residence, official, for Chancellor or President, 85-86
residents, students as, 55-58
resolutions, 11, 20, 27, 29-30, 83, 111, 113-115, 135, 163, 167, 184, 199, 201, 203, 246,
  279
retirement and Trustee Emeritus status, 6-7, 269
retirement benefits from the Alabama Teachers’ Retirement System, employment
  of or contracting with individuals who are receiving, 89
revenue. See funds
revocation of medical license, 295
rules of the Board of Trustees, 20

324
sabbaticals, 87, 151
SAC (System Academic Council), 218, 220, 246
salaries, 8, 70-72, 126, 227, 233, 283
salary ranges, 71-72
scholarships
dental, 285-289
medical, 290-295
nursing, 297-306
social work, 299
school, defined, 239
seals, official, 18-20
   institutional, 19-20
Secretary of the Board, duties of, 9, 11, 29-31, 34, 37-39, 83, 115, 282
Senate, confirmation by, of Board members, 6, 269, 281
separately invested endowments, 103
service units. See centers (institutes)
short-term appointment to endowed chair, 252-253
Social Work, School of, 298-300
Sparkman Chair of Law and World Commerce, 141
staff. See personnel
state and federal audits, 119
student-athletes, 14
students
   admission of, 53
   discipline of, 59
   posthumous degrees for, 61
   tuition policy for, 55-58
subcommittees, 12, 15, 31
   attendance, 15
summer school for teachers, 280
Superintendent of Education, 5, 269, 277, 301
Supplemental Project Information Worksheet, Attachment K to Board Rule 415, 188-194
supporting person, defined, 55
System Academic Council (SAC), 218, 220, 246
System Reserves, Investment Policy for, 105-106
System, the. See University of Alabama System
tenure, 65-67, 87, 214, 247
testing laboratory (construction materials), 280
Transportation, State Department of, 203
tavel, guidelines for, 151-156
Trustees. See Board of Trustees
tuition policy, 55-58
UAB Health System Board Liaison Committee, 13
UAPEF (University of Alabama Pooled Endowment Fund). See Pooled Endowment Fund
UAS. See University of Alabama System
UAS intermediate fund, 105
UAS prime investment fund, 106
UAS short-term fund, 106
UASOM (University of Alabama School of Medicine), 259-262, 289-292
University employees, extraordinary salary and payment arrangements for, 14, 70-71
University funds, deposit of 111-114
University Hospital, 180-181, 199-200, 203
University of Alabama Museum Fund, 300, 303-304
University of Alabama System, 5, 15-18. See also Board of Trustees
  Chancellor (see Chancellor, duties of)
  funds (see funds)
  mission statement, 307-308
  organic law, 27
  organization, 15
  organization chart, 309
  Presidents of (See Presidents, University, duties of)
University of Alabama Trustee Professor, 253
University Professor, 254
University Research Professor, 254
University Service Professor, 254
utility easements, 157

venture capital, 102
Vice Chancellor for Academic and Student Affairs, duties of, 217-218, 220, 242
Vice Chancellor for Financial Affairs, duties of, 96, 171, 186, 197-198, 201-202, 204