THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ALABAMA

BOARD MANUAL
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THE UNIVERSITY OF ALABAMA

BOARD MANUAL

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Revised June 18, 2024
THE BOARD OF TRUSTEES OF

THE UNIVERSITY OF ALABAMA

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Governor of Alabama
President ex officio

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Secretary of The Board of Trustees
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THE UNIVERSITY OF ALABAMA
BOARD MANUAL

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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 provided that “the trustees heretofore appointed from the different congressional districts of the state under the provisions of Sec. 264 of the Constitution,” 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 THE BOARD.

The Board consists of the Governor of the State of Alabama, ex-officio, who serves by virtue of the respective office, three members elected by the Board from the congressional district in which the Tuscaloosa campus is located, and two members elected by the Board from each of the other congressional districts in the State of Alabama, as those congressional districts were constituted on January 1, 2018.
SECTION 2. ELECTION AND TERM OF OFFICE.

The Governor shall serve only while holding the office of Governor. Elected Trustees shall hold office for a term of six 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 or her election until his or her confirmation or rejection by the Senate, and, if confirmed, until the expiration of the term for which elected and until his or her successor is elected, or, in the case of a vacancy, for the unexpired term for which he or she was elected and until his or her successor is elected. If the Senate should reject the name of any Trustee, the remaining Trustees 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. CONGRESSIONAL DISTRICT

Congressional districts from which members are appointed shall be as those districts were constituted on January 1, 2018.

SECTION 4. RETIREMENT AND TRUSTEE EMERITUS STATUS.

Each elected Trustee shall retire from the Board at the annual meeting following that Trustee's seventieth-fifth 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 or her actual expenses incurred in the discharge of his or her 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 or her absence, the President pro tempore.

SECTION 6. PRIMARY FUNCTIONS OF THE BOARD.

In the exercise of its exclusive authority to manage and control The University, as granted by the Constitution of the State of Alabama, 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", or “campuses”, or “campuses and health system”), 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 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 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 or her 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 or she 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 may be held at Tuscaloosa, Alabama, Birmingham, Alabama, Huntsville, Alabama, or any other such place as called by the President Pro Tempore.
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 appropriate electronic and print formats and 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 or she shall preside at all Board meetings which he or she 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 or she 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 or she shall serve as Chairman of the Executive Committee and shall appoint such committees as may be authorized by the Board, or as he or she 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 9. The President pro tem shall serve as an ex officio member on every Committee in order to provide a quorum when necessary, and may cast the deciding vote when necessary. 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 or her 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 or she 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 or she
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 or she may certify to any action
of the Board. He or she 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 Board after consultation with the
Chancellor and serve at the pleasure of the Board. The General Counsel will report
administratively to the Chancellor. 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 interest. 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 and Student Affairs Committee,
and 2 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 AND STUDENT AFFAIRS COMMITTEE.

The areas of responsibility of this committee shall include reviewing and recommending approval of: new academic programs; evaluation of and modification to existing academic, research, and service programs; organizational structure as it relates to academic departments, institutes, and programs; programmatic planning for new facilities to support the academic mission; 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 budgets; financial reports; legislative appropriation requests; budget performance reports; long-range financial plans; student tuition, fees and financial aid programs; financial exigency; certain contracts, depository and other signatories approval; campus indebtedness proposals; 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 for the endowment and operating cash reserve funds 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 approval of the selection of external money managers, custodians and such consultants as are necessary to properly manage these funds.

SECTION 6. 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 7. AUDIT RISK AND COMPLIANCE COMMITTEE

This committee serves as the primary representative of the Board in meeting its obligations related to audit, risk management, and compliance. The Committee will exercise principal oversight of these efforts throughout the System, including its institutions and affiliated entities. The Committee’s specific duties and responsibilities shall be established by Board Rule, and shall include recommending the appointment of the chief audit executive and such other officers responsible for carrying out these functions. Such officers shall report administratively to the Chancellor or his/her designee, but shall be appointed by and ultimately responsible through this committee to the Board, and shall have direct access to this committee and the Board.

SECTION 8. 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 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 9. 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 presidents of 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 Board, 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, along with ensuring the athletic programs advance the institution’s educational mission; consulting with the appropriate standing committees of the Board regarding athletic budgets, facilities plans, tuition, student athletic fee proposals, academic and other support services provided to student athletes, retention and graduation rates, and other items impacting the athletic
programs and student athletes; 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 10. 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, and will work closely with the Audit, Risk, and Compliance Committee to monitor and evaluate risk and compliances matters.

SECTION 11. 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, the Constitution, agreement or statutes; including Board officers, new Trustees, Executive Committee members, and members of affiliated entity boards, and such other nominations as assigned by the President pro tempore.

SECTION 12. STRATEGIC PLANNING AND BOARD EDUCATION COMMITTEE.

This committee shall oversee the strategic planning and related work performed by the System, its institutions, and affiliated entities, including reviewing and approving long-range strategic plans, core principles, values, mission statements, vision statements, and the like prior to publication. This committee also shall develop orientation and continuing education programs that equip the Board to exercise its fiduciary duties.

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 (Tuscaloosa); The University of Alabama at Birmingham, with headquarters at Birmingham, Alabama; The University of Alabama in Huntsville, with headquarters at Huntsville, Alabama; and the UAB Health System, with headquarters at Birmingham, Alabama, administered by a Chief Executive Officer, each with a role and scope to be prescribed by the Board, and each administered by a President, the Campus Presidents and Health System CEO, 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 the President's and Health System CEO'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 related organizations for the System or any of the campuses or heath system. 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 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 institutions;

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 and the Health System;

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 the Presidents and Health System CEO. With the approval of the President pro tempore, and with prior notice to the Board, terminate the employment of the Presidents and Health System CEO;

11. Receive and review recommendations from the Presidents and Health System CEO and transmit such recommendations to the Board along with his/her recommendations for appointment and compensation of vice presidents and other principal 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 or her campus in the overall planning, resource allocation, and program evaluation of the University. The President shall report directly to the Chancellor and
through him or her to the Board of Trustees. The Chancellor shall provide an opportunity for the President to present his or her 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.
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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 (IV.A.2.) 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.

   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 thirty-three percent (33%), and usually no less than fifty percent (50%), 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 (IV.A.3.) 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.

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 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. 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)
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.

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.

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 or business entities; (2) shall not be named for entities unaffiliated with the institution; (3) have not been named by the Board; and (4) are named according to their use or function or some general descriptive purpose. Prior to the naming, the proposed naming shall be reported to the Board as an administrative item at a Board meeting. The Board may, at its sole discretion, remove any name so designated by the Presidents.

(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; February 9, 2017; April 8, 2018)
Attachment A to Board Rule 104

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
The Board of Trustees of
The University of Alabama

Chancellor
The University of Alabama System

President,
The University of
Alabama

President,
The University of
Alabama at Birmingham

President,
The University of
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 market place. 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 VII 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.

The affected Board member shall also send copies of notices pursuant to this paragraph (A) to the Chancellor; General Counsel and Secretary of the Board; Vice Chancellor for Risk and Compliance; Chair of the Board’s Audit, Risk, and Compliance Committee; and any affected Committee Chairs and Vice-Chairs.

B. Disclosure by Senior Administrators

Senior administrators, for purposes of this Rule, are defined to be the Chancellor, Board Secretary, 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 VII 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 or her designee.

The affected senior administrator shall also send copies of notices pursuant to this paragraph (B) to the Chancellor; General Counsel and Secretary of the Board; Vice Chancellor for Risk and Compliance; Chair of the Board’s Audit, Risk, and Compliance Committee; and any affected Committee Chairs and Vice-Chairs.

II. Conflict of Interest in Employment (Nepotism)

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, except as described below.

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 and Chair of the Audit, Risk, and Compliance Committee. 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.

(e) Take any action to improperly influence, coerce, manipulate, or mislead an auditor engaged in the performance of an audit for the purpose of rendering the financial statements materially misleading.

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. The System Office of Risk and Compliance shall develop reasonable procedures to check such disclosures against proposed
Board agenda items prior to each Board meeting. Potential conflicts shall be noted to the affected Board member, committee chair, Pro Tem, Chancellor, and Board Secretary.

VI. Campus Responsibility

The campus Presidents and Health System CEO shall be responsible for promulgating and publicizing a conflicts of interest policy covering all employees, other than senior administrators, for this campus or entity. Such policies shall be no less rigorous than those set out in this Board rule.

VII. Public Review Committee

A Public Review Committee, consisting of three members appointed by the Board for three-year terms, shall be established. The Board will 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.

VIII. 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, June 7, 2019)
106.2 **Risk – Ethics – Compliance – Code of Conduct**

I. **Purposes and Goals**

The Board of Trustees of The University of Alabama is committed to the highest standards in all aspects of its operations. In adopting this rule, the Board:

- Endorses an organizational culture that encourages effective consideration and management of risks, including risks related to violations of law, regulations, conflict of interest and ethics standards; and

- Promotes ethical conduct, in fact and appearance, among the members of the Board, senior administrators, and other members of our University community, including faculty, staff, students, volunteers, contractors, agents, affiliates, and others providing services to or on our behalf (hereinafter “University community members”).

University community members should exercise good judgment and wise discretion to conduct all activities of the System and its institutions ethically and in compliance with applicable law; protect the institutions from unnecessary risks; and preserve and enhance the assets and reputation of the institutions for the education and betterment of current and future generations.

II. **System Risk and Compliance Program**

The Chancellor will staff a System office to address System-wide risk and compliance concerns, including risks related to compliance with laws and ethical standards, strategic risks, governance risks, and reputational risks. In addition, the office will work closely with internal audit, legal, academic and student affairs, and financial offices regarding those and other financial and operational risks, including risk finance and insurance. The office will be responsible to develop, implement, evaluate, and monitor a System-wide risk and compliance program; promote collaboration among campus/entity-based risk, ethics, and compliance programs; assist and support campus/entity-based programs; promote a culture that supports Board goals; support training and educational efforts related to the above goals; provide advice and counsel for these purposes; refer appropriate investigatory matters to the General Counsel, chief audit executive, and/or others; refer financial and operational risks to the appropriate officers, including audit, legal, and other offices; encourage the flow of information and internal transparency related to Board goals, including appropriate reporting and direct access to the Board, its Committee(s), the Chancellor, and appropriate administrators; and perform such other duties as directed by the Chancellor in consultation with the Board.

III. **Campus and Health System Risk and Compliance Programs**
The campus Presidents and Health System CEO shall be responsible for strengthening the organizational culture of his/her institution to encourage full consideration of risks and ethical compliance with legal obligations, including the identification, assessment, evaluation, and mitigation of strategic, reputational, financial and operational risks. Each campus and the Health System shall appoint an officer or officers who shall have day-to-day operational responsibility for risk, ethics, and compliance programs, including a designee or designees to act as liaison to the System program. The designees shall have direct and regular access to the President/CEO and provide appropriate reporting to the President/CEO related to these efforts. Campuses may also create committees to assist with such purposes. The System, campuses, and Health System shall seek to share resources (subject matter experts, training, etc.) and best practices to facilitate risk management and ethical compliance among System institutions.

IV. Requirements for Prompt Reporting

Campus and Health System officers, including the designees to the System program, shall promptly report to the President/CEO when he/she learns of any significant occurrence or threat which has caused or poses an imminent risk of substantial injury or harm to persons, property or the surrounding community, or substantial reputational harm to the System, its institutions. The Presidents/CEO shall promptly inform the Chancellor, who shall appropriately relay such information to the Board or its members. Such reports may be conveyed in accordance with applicable legal privileges.

V. System Code of Conduct

The Presidents/CEO shall adopt appropriate policies, codes, or rules for University community members. Such campus/entity codes shall, at a minimum, impose standards consistent with the following. The standards below will bind those who are not subject to more specific campus or enterprise codes, in both letter and spirit. This code is general in nature, and not intended as a mere set of detailed rules, regulations, or a checklist. These standards should be reasonably interpreted and applied in accordance with good judgment and discretion.

1. Provide quality education, research, healthcare, business interactions, and other services.
   The Board expects ethical and professional conduct, honesty, conscientious behavior, appropriate awareness of responsibilities, and personal accountability.

2. Treat individuals with respect.
   The Board expects tolerance, diversity, respect, fairness, and equal opportunity for our community. University community members should avoid illegal harassment, discrimination, threats, and violence.

3. Comply with applicable laws, regulations, and policies.
University community members should learn and follow governing rules, be proactive to prevent and detect violations, properly report suspected violations, and act to ensure proper resolution of issues and conflicts related to the same.

4. **Use confidential information responsibly.**
   University community members should be wise custodians of confidential, proprietary, and private information.

5. **Acknowledge and appropriately manage conflicts of interest.**
   University community members should be loyal to our missions and institutions, appropriately objective and impartial in exercising their duties and discretion, and follow applicable ethical standards. University community members must not use public offices or resources for private or other improper gain, or otherwise act under an improper conflict-of-interest related to their duties.

6. **Safeguard and accurately account for resources.**
   The Board expects University community members to be responsible stewards of, and appropriately account for, resources, including property, equipment, finances, material, electronic and other systems. University community members should prevent waste and abuse, adopt and follow appropriate protocols, exhibit sound practices, and seek efficiency in operations.

7. **Promote a safe environment.**
   University community members should promote personal safety, good practices, and security.

8. **Document, code, bill, and collect in accordance with applicable rules and regulations.** Compliance with law and regulations is a priority in all operations. Recordkeeping should be in accordance with such goals.

VI. **Hotline**

University community members should report suspected violations, in accordance with appropriate rules and procedures, and cooperate with appropriate investigations. A “hotline” for reporting purposes shall be maintained as part of the System program. This Board expects appropriate consideration and investigation of reports. Retaliation shall not take place for good faith reports. Appropriate consequences, up to and including termination, expulsion, or other sanctions, should flow from violations of these standards.

(Adopted November 7, 2014, Amended June 7, 2019)
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.)
108. System Office and University Policies

A. Delegation of Policy-Making Authority. Consistent with Board Bylaws, and for the information, guidance, and convenience of the faculty, staff, students, and other members of our community, the Chancellor and Presidents of each campus may compile, publish, and distribute policies, handbooks, manuals, and other guides to their organizations and operations (collectively, “policies”). They may also designate appropriate persons to develop policies related to particular divisions, schools, or administrative components. Such policies should comply with this Rule.

B. Consultation with Affected Constituencies. In the development and formulation of policies, appropriate constituencies should be consulted for input; provided, however, such input does not constitute a veto or interference with administrative rights and responsibilities.

C. Transparency. The System Office and each campus will host websites or other electronic collections to publicize policies.

D. Superseding Board Rules or Chancellor Requirements. All policies are subject to superseding laws, regulations, Bylaws, Rules, minutes, and other pronouncements of The Board of Trustees and Chancellor of The University of Alabama System. As such, policy websites and other collections of policies will include a notice to the following effect:

“Although the policies contained herein are intended to reflect current rules and policies of the University, users are cautioned that changes or additions may have become effective since the publication of this material. In the event of a conflict, current statements of Board policy contained in the Bylaws, Rules, official minutes, and other pronouncements of the Board or Chancellor, or superseding law, shall prevail.”

E. Consistency Among Policies. The Board of Trustees recognizes that campus policies may differ to reflect appropriate and legitimate differences in role and mission. However, each campus and the System Office should seek consistency to the extent practicable, consider the policies of its sister institutions during policy development, and shall work with the Office of Counsel in furtherance of this goals.

F. Procedural Requirements Related to Campus Policies. Except when expediency is required (e.g., because of a legal mandate or emergency), campus policies should only be adopted and published after following these general procedures:
1. The President or his/her designee\(^1\) (“Campus Designee”), in consultation with the Office of Counsel, shall consider:
   a. Whether the proposed policy is consistent with Board Bylaws, Board Rules and pronouncements, or Chancellor Rules and pronouncements; and
   b. Whether the proposed policy is consistent with the policies of other System campuses.

2. The Chancellor will appoint one or more points of contact for the Campus Designee to discuss any questions related to Board compliance and/or System consistency (“Chancellor’s Designee”). In addition, the Office of Counsel shall serve as advisors.

3. The Campus Designee will consult with the Chancellor’s Designee and Office of Counsel regarding the goals and purposes of this Board Rule, and the goals and purpose of the proposed policies. Policies must be consistent with the will of the Board as expressed in these and other Board Bylaws, Rules, and pronouncements, and should seek to promote fairness, equitable treatment, safety, security, and other Board goals.

4. Before final adoption, the Campus Designee must give specific assurance to the Chancellor’s Designee that the proposal is not inconsistent with Board pronouncements. The Chancellor’s Designee and Office of Counsel will review the proposed policy to confirm same, and the policy will not take effect until such confirmation is received.

5. Policy adoption will be according to campus requirements and procedures, provided the provisions of this Rule are satisfied.

6. Upon final adoption, the policy will be publicized in accordance with paragraph C of this Rule.

7. Campuses and the System Office should adopt practices for reviewing policies on a routine basis to ensure that the same are up-to-date. In addition, at all times, the Chancellor and Presidents have the responsibility and right to review policies and the application of policies to determine if the same are consistent with law and Board Bylaws, Rules, and pronouncements.

G. **Effect of Policies.** Policies do not create a contract or quasi-contract among the Board, a campus, and any employee, individual, or entity affected thereby. Further,\(^1\) As appropriate for each campus and situation, the President may designate a central office for policy development and approval, or may designate others as needed.
policies are not intended to limit the appropriate exercise of discretion by officials, as called for in particular circumstances. This Board rule shall be applied prospectively.

(Adopted July 16, 1980 as Rule 306; amended and renumbered November 3, 2017; Rule 306 was repealed and replaced with this Rule 108 November 3, 2017.)
200 Series

STUDENTS
201. **Admission of Students**

Policy Statements

I. The Board delegates authority to the Presidents to develop, recommend and, administer admission policies. The Presidents should regularly apprise the Board of these 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 shall be submitted regularly 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. Amended June 8, 2018, Amended June 7, 2019)
I. Non-Resident Tuition Fee

A. All undergraduate 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. Graduate students who do not establish that they are “resident students” shall pay a “non-resident student” tuition which shall be established annually by each institution as approved by the Board, but at no time shall be less than the rate charged to a “resident student.”

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.

C. Universities may elect to set tuition rates for programs that are exclusively delivered in a distance format regardless of the residency status of the students.

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. Dependent Child

An individual who is a "qualifying child" as defined by the Internal Revenue Service (IRS).

C. 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 parent 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.
D. 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 state.

Individuals carrying resident status under this policy shall certify under penalty of 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, the 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 factors:

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 (1) 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
E. **Resident Student**

One who, at the time of registration:

1. Is not a “minor” or “dependent child,” 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” or “dependent child,” 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.

F. **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

B. One who, at the time of registration, is a “minor” or “dependent child,” 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 United States Servicemembers

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

A. One who, at the time of registration, satisfies one of the following:

1. Is a member, or the spouse or dependent child of a member, of a qualifying Federal service, as defined by 20 U.S.C. §1015d(d), whose domicile or permanent duty station is in Alabama;
2. Has been a member of the Alabama National Guard for a period of at least two years immediately preceding the academic term in which the student qualifies for resident tuition, and continues to be a member of the Alabama National Guard while enrolled at an institution in The University of Alabama System;
3. Is an out-of-state active duty or veteran servicemember who is a resident of any county within ninety (90) miles of the campus of the institution at which the student is registering;
4. One who is a veteran servicemember, provided that veteran is a resident of the state 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 Veterans Affairs.
5. Is receiving or entitled to receive benefits under the Post-9/11 GI-Bill or Montgomery GI-Bill programs, or other federal law authorizing

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2 A member, or the spouse or dependent child of a member, of a qualifying Federal service shall continue to be considered a “resident student” under Section IV.A.1 even if there is a subsequent change in the permanent duty station of the member outside of Alabama.
veterans’ educational benefits, and satisfies at least one of the following conditions:

a. A Veteran who lives in the state of Alabama (regardless of his/her formal state of residence) and enrolls within (3) years of receiving an honorable discharge, as verified by a United States Department of Defense Form 214, from a period of active duty service of (90) days or more;

b. A spouse or dependent child using transferred benefits who lives in the state of Alabama (regardless of his/her formal state of residence) and enrolls within (3) years of the transferor’s honorable discharge, as verified by a United States Department of Defense Form 214, from a period of active duty service of (90) days or more; or

c. A spouse or dependent child using benefits under the Marine Gunnery Sergeant John David Fry Scholarship who lives in the state of Alabama (regardless of his/her formal state of residence) and enrolls within (3) years of the Service member’s death in the line of duty following a period of active duty service of (90) days or more.

6. One who is a veteran of the Armed Forces of the United States, not eligible under subsection 3 above, provided that veteran resides in the State 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. In addition to the foregoing, the Board authorizes the Chancellor, in consultation with the Presidents of each campus, to determine whether the term “resident student” should be expanded to include an eligible student who is receiving any one or more of the following educational benefits whose authorizing law requires such resident classification as a condition to receive such benefits:

1. Educational benefits provided for under the Post-9/11 GI-Bill or Montgomery GI-Bill programs, or other federal law authorizing veterans’ educational benefits, that are received
by a veteran or the spouse and dependent(s) of an active or
veteran Servicemember who is living in the State of Alabama
while enrolled; and
2. Supplemental Educational Assistance Benefits provided to
any members of the Alabama National Guard, regardless of
his/her state or residence, as provided for in §31-10-21.1 in
the Code of Alabama.

C. To be eligible for resident tuition as provided for in this Section IV., and to
maintain such eligibility, the student shall:

1. Have secured admission to and enrolled full-time or part-time at an
institution in The University of Alabama System; and
2. Provide all required documentation to support status as an Alabama
resident or presence in Alabama (as applicable), as well as status as
an active or veteran Servicemember.
3. Maintain full-time or part-time enrollment at an institution in The
University of Alabama System; and
4. Satisfy the admission and retention standards of both the institution
in The University of Alabama System, and when applicable, meet and
maintain all required eligibility requirements necessary to receive
education benefits.

D. A student who has previously met the requirements of this section shall
continue to be classified as a resident student as long as the qualifying student
continues to reside in the State of Alabama while enrolled at an institution in
The University of Alabama System. If an individual provided for this Section
is released or discharged dishonorably, such release shall be grounds for
revocation of resident status.

E. “Servicemember” means a member of the uniformed services as defined by
federal law, which includes members of the armed forces (Army, Navy, Air
Force, Marine Corps, and Coast Guard), and commissioned officers for the
National Oceanic and Atmospheric Administration (NOAA) and the Public
Health Service (PHS).

V. Rules for Citizens of Freely Associated States

For purposes of admission and tuition and fees, all institutions in The University of
Alabama System shall consider that the term “resident student” includes citizens of
the Federated States of Micronesia, the Republic of the Marshall Islands, or the
Republic Palau.

VI. 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. Provided however, with respect to campus admission policies related to Section IV of this Rule, the campuses shall coordinate with the System Office to ensure the development an application of consistent policies across the System.

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; April 10, 2015; June 16, 2018; November 3, 2017; June 7, 2019; June 4, 2021; and June 7, 2024.)
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 the provost, 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 provost, dean, chairpersons, 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; and June 7, 2019.)
302. Compensation Policy

1. Purpose, Objectives, and Scope

The Compensation Committee of the Board of Trustees (“Committee”) has a role in assisting the Chancellor and Presidents from the outset to plan and implement compensation arrangements for employees at the University of Alabama System Office (“System Office”) and the three campuses (“Campuses”) in specific positions and groups of positions. This role includes, but is not limited to, input into the roles, duties, and responsibilities of senior leadership positions; position specifications and necessary qualifications; compensation strategy and comparative data; transition plans; and any other matter assigned to the Committee by the President Pro Tempore (“Pro tem”). This role also relates to the development of extraordinary or unusual employee compensation packages, as discussed in this Rule. The Committee’s early involvement is required in order to insure the integrity of the compensation programs for the System.

2. System Office and Campus Employees Covered by Rule

a. The following individuals are subject to the requirements of this Rule (hereinafter, a “Covered Employee”):

1. Chancellor, Vice Chancellors, Presidents, Vice Presidents, Provosts, General Counsel, and Board Secretary;

2. Any individual whose total annual earnings exceed $450,000;

3. Any individual who receives a unique benefit or payment which is not generally available to all regular faculty and staff; and

4. Any other individual that the Committee designates in writing.

b. No offer of compensation to a Covered Employee shall be effective or binding without the prior approval of the Committee.

c. In addition, the Committee must approve any employment contract exceeding a total value (i.e., value over the full term of the contract) of $450,000 as well as any modifications thereto.

d. This Rule applies to employees who were not initially subject to this Rule on their date of hire but subsequently become Covered Employees due to a promotion, salary increase, or other reason. In those instances, the System Office or Campuses must seek Committee approval for the offer of compensation that subjects the Covered Employee to the requirements of this Rule.
e. For purposes of this Rule, “total annual earnings” does not include compensation from affiliates, related organizations, contractors, or licensees. For any Covered Employee, however, the Committee shall be informed of all compensation paid to the Covered Employee, regardless of the source of funds, through the annual report described in Section 3(e) of this Rule.

3. **Salary Adjustments**

a. The Committee recognizes that the System Office and Campuses typically include a merit pool percentage for salary adjustments in the annual budgets considered by the Board of Trustees.

b. After consultation with the Committee and the Pro tem, the Committee Chair shall determine any salary adjustments for the Chancellor.

c. The Chancellor shall determine any salary adjustments for the Presidents and any other Covered Employee at the System Office. The Presidents shall determine any salary adjustments for Covered Employees at the Campuses. The Committee, however, must approve any Covered Employee’s salary increase – including any mid-year increases or other adjustments in the preceding twelve months – that would be more than two and a half times the merit pool percentage or 7.5%, whichever is greater.

d. In extraordinary circumstances, if recommended by the Chancellor, a salary adjustment in excess of the limits set out in Section 3(c) may be approved by unanimous written consent of the members of the Executive Committee and the Committee Chair without the necessity of a meeting, but such action shall be reported to the Board of Trustees for ratification at the next scheduled meeting.

e. The System Office Human Resources Department shall report annually to the Committee the total compensation of all Covered Employees, regardless of the source of funds. Additionally, the Committee shall be advised at least two weeks in advance of any proposed salary adjustment for a Covered Employee.

4. **Executive Searches**

a. With respect to searches for Vice Presidents, Provosts, or any other individual that the Committee designates in writing, the following approval process applies:

   Stage 1: The President shall submit to the Chancellor a request to initiate a search. The search shall not begin prior to approval of the Chancellor, who shall consult with the Committee Chair, Pro tem, and Chair of any other relevant Committee as identified by the Pro tem. The request should include at least the following information:
1. The proposed position title, and, for a new position, justification for the new position and expected salary range.

2. For an existing position, the name and final base salary of the former employee holding the position.

3. Whether a search firm will be utilized and the method by which the search firm will be selected.

4. If a search committee will be used, the anticipated representation of the members of the search committee by department/school who will serve on the committee.

Stage 2: When finalists are identified and prior to an offer being made, the Stage 1 submission will be updated to include the following:

1. Market data and salary consideration bearing a proper and reasonable relationship to compensation for administrators with similar responsibility at similar institutions, including the UA System.
   i. The proposed target base salary, and relevant internal, UA System, or other external comparison data.
   ii. Any extraordinary compensation, including deferred and/or supplemental compensation or benefits.

2. Any other perquisites such as relocation allowances, car allowances, spousal support, or other allowances.

3. When time is of the essence, Stage 1 and 2 may be submitted concurrently, however, any exceptions to this two-stage process must be preapproved in advance by the Chancellor, after consultation and agreement by the Committee Chair, Pro tem, and Chair of any other relevant Committee. Such an exception may be applied to a specific position or a category of positions.

5. **Salary Ranges**

   The System Office shall develop and maintain salary ranges for the Covered Employees listed in Section 2(a)(1) of this Rule. The Presidents shall develop and maintain salary ranges for all other employees on their respective Campuses. The structure of the salary ranges, together with reporting requirements, are more fully set forth below.
a. **Faculty**

The Presidents shall maintain faculty salary ranges by faculty rank, broad discipline category, and campus and report the ranges annually to the System Office of Academic and Student Affairs.

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 ranges on each campus to other similar institutions and groups.

b. **Academic Deans**

The Presidents shall maintain salary ranges for the academic deans and report the ranges annually to the System Office of Academic and Student Affairs. In comparing these ranges to the general practices of higher education, the Presidents may use surveys of the institution’s peer institutions or other appropriate comparators, studies such as those published annually by the College and University Personnel Association, or other appropriate studies which may be developed.

c. **Administrative and Professional Staff**

The Presidents shall maintain salary ranges indicating a minimum and maximum for each position authorized and report the ranges annually to the System Office Human Resources Department. In comparing these ranges to the general practices of higher education, the Presidents may use surveys of the institution’s peer institutions or other appropriate comparators, studies such as those published annually by the College and University Personnel Association, or other appropriate studies which may be developed.

d. **Non-Exempt Staff**

The President of each campus shall establish and maintain the salary ranges or scales for each job classification included in this group and report the ranges annually to the System Office Human Resources Department. Salary ranges for these positions shall give due consideration to local and/or regional job market information.

6. **Annual Review of Benefit Policies**
The Chancellor will annually review the fringe benefit policies and other aspects of the System and campus compensation program and make recommendations to the Committee that the Chancellor deems appropriate.

7. Extraordinary Circumstances

In extraordinary circumstances, the Chancellor – after consultation with the Committee Chair, Pro tem, and Chair of any other relevant Committee as identified by the Pro tem – may approve the execution of an employment contract without prior approval of the Compensation Committee. Any such employment contract must be approved by the Compensation Committee within ninety days of execution. Failure to obtain Compensation Committee approval within the ninety-day timeframe terminates the employment contract.

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 $100,000 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 $100,000 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) calendar days of his or her conviction under any criminal drug statute for a violation occurring in the University workplace.

The Policy Statement shall be made available on each campus website and/or other readily available electronic media, in accordance with paragraph C of Board Rule 108, to all persons who are employed by the University in connection with any federal grant or a federal contract involving $100,000 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 $100,000 or more, or, at the option of each campus, as a condition of employment by the University that employees consent:

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 $100,000 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 each contracting or granting agency in writing of any such conviction, within 10 calendar days of receipt of the information by the University, and include the following:

   a. The employee’s position title;

   b. The identification numbers of each affected award.

2. Ensure that, within 30 calendar 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 maintain a set of policies and procedures in compliance with the Board Rule. Any subsequent modifications or amendments made to the drug-free workplace policies and procedures of any campus shall follow the guidelines set forth in Board Rule 108 for approving and adopting campus policies.

(Adopted February 10, 1989 as Rule 315; revised May 5, 1989; renumbered December 5, 1997; amended June 7, 2019.)
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 $100,000 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 $100,000 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 calendar 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.

   University employees interacting with Public Officials and representatives of either the federal, state, county, or municipal government, should take due care to observe and comply with applicable requirements of ethics and other laws that may govern such interactions.
3. **Procedures for University Employees Who Seek or Hold Public Office**

a. 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 or her University responsibilities.

b. University employees who intend to seek election or re-election to public office, at the state, county, or municipal level, must first obtain written consent from his/her supervisor, the president of the applicable institution, and the Chancellor or his/her designee. 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.

c. University employees elected to or holding public office, at the state, county, or municipal level, must have a written Management Plan to assist in avoiding any conflict of interest or conflict of commitment. Such a plan should speak directly to any potential or perceived conflicts, including management of time, resources, and property. A written plan must be agreed to by the employee, his/her supervisor, the president, and the Chancellor or his/her designee.

d. Copies of approvals pursuant to paragraph (b) and plans pursuant to paragraph (c) must be sent to the Chancellor or his/her designee to be maintained in a central location. A copy should also be maintained in the HR records of the employee.

4. **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; amended June 7, 2019.)
305. **Service by University Officers as Directors or Officers of Unrelated Organizations**

For the purpose of maintaining Board practice and policy of preventing even the appearance of conflicts of interest, no Chancellor, President, System administrator, or campus senior administrator shall serve, or accept appointment or election to serve, as director or officer of an unrelated organization, unless such service, appointment, or election:

1. Is for an uncompensated position that does not require more than a minimal amount of time; or

2. Has been disclosed to, and approved by:
   a) For requests related to the Chancellor or Presidents, the President pro tempore, in consultation with applicable Board Chairs, unless the President pro tempore refers such consideration to the Public Review Committee.

   b) For requests related to System administrators or campus senior administrators, the Chancellor, unless the Chancellor refers such consideration to the Public Review Committee.

No such person serving as a director of an unrelated organization shall take part in any decision involving the nature or extent of relationships or transactions with the organization on whose board he or she is serving.

(Adopted January 21, 1981 as Rule 330; amended April 18, 1997; renumbered December 5, 1997; new rule substituted June 7, 2019.)
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.)
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)

Vice President for Financial Affairs and Treasurer

Asst. Vice President for Human Resources
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.)
Compensation Guidelines for Retreating Presidents and Chancellor

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 may hire, employ, contract with, compensate, or pay any individuals who are receiving retirement benefits from the Alabama Teachers’ Retirement System under the following conditions:

   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 provide documentation sufficient to verify that any compensation or other amounts paid to them by a business or entity under a contract or other arrangement, taken together with any amounts paid by the University, will not exceed the amount specified in Section 16-25-26, Code of Alabama, as adjusted from year to year as provided for in that section.

   c. 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; or

   d. a determination has been made whether or not the revolving door provision of the Alabama Ethics law applies to them.

(Adopted June 6, 2002; amended June 7, 2019.)
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, Chief Audit Executive, Chief Accounting Officer, Controller, or 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 and amended June 7, 2019.)
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 3, 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 periodically at 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 tuition and fees;

C. Review and approval of legislative requests for appropriations; both Operating & Maintenance as well as Capital, annual budgets, and midyear budget changes;

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

E. Review and advise regarding long-range fundraising 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 technology contracts or projects that exceed $750,000.

In each of the areas set forth above, the Chancellor, through the Sr. Vice Chancellor for Finance and Administration, 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 Sr. 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 Sr. Vice Chancellor for Finance and Administration, 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 Sr. Vice Chancellor for Finance and Administration, 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 prepared in a manner generally consistent with the principles and guidelines set forth by the National Association of College and University Business Officers (NACUBO). Specifically, NACUBO publications define 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 changes in net position, 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, Risk, and Compliance 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. The Audit, Risk, and Compliance Committee will approve the annual audited financial statements of the System and the campuses.

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 as needed by the Finance and Administration Department of the System Office.
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, and June 7, 2019.)
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 appropriately in the financial accounting of each campus. The budgeted assessments for the System Office anticipated expenditures for each fiscal year will be provided by the Chancellor or his designee, 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, and June 7, 2019.)
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 advisors 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 on behalf of 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. 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 and approval of managers and custodians, and such advisors/consultants as are necessary to properly manage these funds.

III. **Reporting**

The System Office reports on the investments and performance of the investment pools monthly to the Investment Committee of the Board of Trustees, the Chancellor, University Presidents, and University Vice Presidents for Finance and Advancement. The investment pools consist of the Pooled Endowment Fund ("PEF") and the Liquidity and Capital Reserve Pool ("LCRP"). The PEF is comprised of all participating endowed funds and strategic long-term reserve funds. The LCRP is comprised of operating reserves.

Periodically, the advisor/consultant will make a presentation to the Investment Committee and show performance relative to benchmarks and peer institutions. The advisor/consultant will also provide other reporting as deemed necessary by the Committee.
A. **Investment Policy for Pooled Endowment Fund**

I. **Investment Objectives**

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

A. Preserve the real purchasing power of the principal; and

B. Provide a stable source of perpetual financial support to the Endowment's beneficiaries.

To preserve the real purchasing power of the principal and provide a stable source of income to the beneficiaries of the PEF, the long-term annualized total rate of return objective for the PEF will be targeted at inflation as defined by the Consumer Price Index (CPI) plus the PEF spending rate plus all fees and expenses. To satisfy its long-term rate of return objective, the PEF 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, royalties, and rents). Asset allocation guidelines and the investment manager structure should be established to meet the target return while providing adequate diversification to minimize the volatility of investment returns.

The PEF assets are intended to support the System in perpetuity. For investment purposes, the PEF Portfolio has a long-term investment horizon, and performance will be reviewed over full market cycles.

II. **Pooled Endowment Fund Spending Policy**

The Board of Trustees shall attempt to balance the long-term objective of maintaining the purchasing power of the PEF 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 PEF of 4.5% of the 60-month moving average of unit market values. The Investment Committee will review the spending rate periodically.

In determining whether it is appropriate to make distributions, the System Office 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., or any successor statute or statutes governing such distributions. UPMIFA requires, if relevant, consideration of seven factors when determining when spending is prudent: “(1) the duration and preservation of the endowment fund; (2) the purposes of the institution and the endowment fund; (3)
general economic conditions; (4) the possible effect of inflation or deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the institution; (7) and the investment policy of the institution.\footnote{3 Code of Alabama Section 19-3C-4(a)}

At the institutional level, university financial and advancement officers shall establish internal policies that temporarily prohibit distributions from an endowment fund that has a current market value less than its historical dollar value based on the UPMIFA guidelines. Historical value or corpus is defined as the original donor contribution plus any additional contributions, and any additions to historic dollar value as prescribed by the donor’s gift instrument. In all instances, the donor’s intent must be met.

To prevent spending before earnings have accumulated, effective October 1, 2017, any new endowment fund shall be invested in the PEF for a consecutive period of 12 months prior to the distribution of a spending allocation of realized gains.

Strategic long-term reserve funds may not be redeemed for a minimum of ten years, and all spending distributions for strategic long-term reserve funds are required to be reinvested in the PEF, unless prior approval has been received from the Senior Vice Chancellor for Finance and Administration and Chair of the Investment Committee. For any System Office strategic long-term reserve funds, the Chancellor and Chair of the Investment Committee must approve redemptions or spending distributions.

III. Pooled Endowment Fund Asset Allocation

To achieve its investment objectives, the PEF shall be allocated among a number of asset classes. The primary asset classes may include: global equity, global fixed income and cash, real assets, and diversifying strategies. The purpose of allocating among asset classes is to ensure the proper level of diversification within the PEF. Further descriptions of the asset classes are below:

**Global Equity** – The allocation will consist of public equity, private equity, and equity-oriented hedge funds. Global Equity is expected to be the highest risk, highest return asset category of the four. The allocation will be diversified by factors including security, sector, geography, market capitalization, and manager style.

**Global Fixed Income and Cash** – The allocation will consist of two broad categories: high quality/rate sensitive and global/private credit/distressed.
1) High quality/rate sensitive investments are defined as managers where the majority of the portfolio is rated investment grade by S&P and Moody’s (Baa3/BBB- and above). These bonds provide equity risk mitigation, deflation protection, and liquidity to the portfolio.

2) Global/private credit/distressed allocation will include high yield bonds, bank loans, emerging market debt, structured or asset backed bonds, debt oriented hedge funds, and private partnerships investing in debt (mezzanine loans, distressed debt, etc.). This allocation provides investment opportunities to generate a substantial real return but is more correlated with equity markets than high quality fixed income.

**Real Assets** – The allocation will consist primarily of real estate, natural resources, and infrastructure assets. Investments will include public securities, hedge funds, and private partnership structures. These investments are expected to provide inflation protection as well as generate positive real rates of return.

**Diversifying Strategies** – The allocation will consist of investments whose primary source of risk and return is not a constant allocation to one of the three asset classes listed above. This includes, but is not limited to, hedge funds and private partnerships whose approach can be described as “absolute return,” multi-strategy, event driven, relative value, or global macro.

**Direct Co-Investments** – The allocation will consist of direct investments sourced from existing investment managers within the private capital portfolio where skill and alignment have been identified. Co-investments benefit the PEF by 1) investing at a lower cost, and 2) providing additional transparency to the sponsor General Partner’s (“GP”) underwriting process. Co-investment opportunities must be executed in a short timeframe. As such, authorization for co-investment budgets will be pre-approved by the Investment Committee at the same time as approval for commitments to the respective GP’s fund. The GP will be authorized to invest up to the approved amount of co-investment capacity over the course of that fund’s investment period, at the GP’s discretion.

The target for the portfolio level of co-investments is 2% of the PEF. Co-investments will not exceed 50% of the GP’s fund commitment at cost. Direct co-investment opportunities outside of pre-approved authorized amounts must be approved by the Investment Committee.

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. Liquidity for Pooled Endowment Fund

Liquidity is necessary not only to meet the spending policy payout requirements but also to satisfy demands in case of an extraordinary event. In many instances, investment opportunities come with liquidity constraints. The tradeoff between opportunity and liquidity will be considered throughout the portfolio construction process. Sufficient liquidity should be maintained to fulfill the spending and operating objectives. Portfolio liquidity will be monitored using a three-tier system:

- Liquid: available within 90 days
- Semi-liquid: available in 90 days or more but less than 2 years
- Illiquid: available only in 2 years or more

New commitments will be made to illiquid/private capital investments with the intent to progress to a 43% allocation to private capital. A minimum of 30% of the portfolio will be held in liquid securities.

V. 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 and will be accounted for separately until sold.

B. Gifts of real estate will be held at the individual universities as separately managed assets until liquidated. Unless the real estate has strategic long term importance to the universities 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 investment pool.

C. Annually, universities are to provide to the System Office a report on all university managed investments.

D. Annually, each university will report on non-campus land and natural resources held for investment.

VI. Life Income and Annuity Funds Investments

The Board of Trustees assigns to university 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 respective university for the purposes described in each individual trust conveyance; investment of such funds will then be determined by the applicable funds investment policy.

B. Investment Policy for Liquidity and Capital Reserve Pool

I. Investment Objectives

The System Office, with the guidance and advice of the universities and hospital financial officers, is charged with developing and implementing an investment strategy that is consistent with matching the duration of the universities’ working capital 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 and liquidity are appropriate for the financial condition of each individual university. It is the responsibility of the System Office to ensure that cash is available to meet the liquidity needs of the universities and the hospital. As all cash needs cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets.

System reserves are to be managed in one pooled fund, the Liquidity and Capital Reserve Pool, except for monies that are ineligible for inclusion in this pool, such as endowment assets and life and annuity trusts, and cash held for operations at banks. The goals of the pool are to preserve and grow capital, maximize returns without undue exposure to risk, and maintain sufficient liquidity for credit ratings.

II. Liquidity and Capital Reserve Pool Asset Allocation

The Liquidity and Capital Reserve Pool shall be allocated among a number of asset classes as described in the PEF Asset Allocation, excluding private equity, private debt, and private real assets. The pool does not distribute a spending rate and reinvests all income, but universities are able to withdraw reserves as needed for operations with sufficient notice to the System Investment Office, described in III. Liquidity for Liquidity and Capital Reserve Pool.

III. Liquidity for Liquidity and Capital Reserve Pool

In many instances, investment opportunities come with liquidity constraints. The
tradeoff between opportunity and liquidity will be considered throughout the portfolio construction process. Sufficient liquidity should be maintained to fulfill operating objectives with consideration to time horizons for the need of the reserves established between the universities, hospital, and the System Office.

Universities should provide the System Office with one business day notice for withdrawal requests up to $10 million. For requests greater than $10 million, requests should be made at a minimum of five business days in advance of receipt of funds.

Universities may also request internal loans rather than liquidate invested assets. Universities must submit an internal loan request at least five business days in advance of the requested date of receipt of funds. The System Office will analyze the pool’s liquidity, asset allocation and any available credit facilities when considering internal loan requests. Internal loans for working capital purposes will not exceed twelve months. Internal loans for capital purposes may also be considered.

Liquidity Policy guidelines for the Liquidity and Capital Reserve Pool are:

<table>
<thead>
<tr>
<th>Classification of Asset</th>
<th>Liquidity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid (within 30 days)</td>
<td>no less than 60%</td>
</tr>
<tr>
<td>Semi-liquid (31 days to 1 year)</td>
<td>no more than 40%</td>
</tr>
<tr>
<td>Illiquid (greater than 1 year)</td>
<td>no more than 15%</td>
</tr>
</tbody>
</table>


APPENDIX 1

POOLED ENDOWMENT FUND (PEF) ASSET ALLOCATION

<table>
<thead>
<tr>
<th>Long Term Target</th>
<th>Ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>62%</td>
</tr>
<tr>
<td>Fixed Income and Cash</td>
<td>12%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>13%</td>
</tr>
<tr>
<td>Diversifying Strategies</td>
<td>13%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>45-70%</td>
</tr>
<tr>
<td></td>
<td>5-25%</td>
</tr>
<tr>
<td></td>
<td>5-25%</td>
</tr>
</tbody>
</table>

LIQUIDITY AND CAPITAL RESERVE POOL (LCRP) ASSET ALLOCATION

<table>
<thead>
<tr>
<th>Long Term Target</th>
<th>Ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>40%</td>
</tr>
<tr>
<td>Fixed Income and Cash</td>
<td>42.5%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>7.5%</td>
</tr>
<tr>
<td>Diversifying Strategies</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>30-50%</td>
</tr>
<tr>
<td></td>
<td>30-50%</td>
</tr>
<tr>
<td></td>
<td>0-15%</td>
</tr>
<tr>
<td></td>
<td>5-20%</td>
</tr>
</tbody>
</table>

The advisor working with the System Office has the responsibility of rebalancing assets periodically to stay within the current asset allocation targets.

MANAGER DIVERSIFICATION

To ensure sufficient diversification for the PEF and the LCRP, there will not be an allocation of more than 10% to any active manager, and 15% to a passive manager at the time of investment.
405. **Deposit of University of Alabama System Entity Funds**

I. Authority to Effect Transactions with Banks or Other Depositaries

Board Rule 405 establishes appropriate processes involved in the deposit of The University of Alabama System 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 of Alabama System. 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. Board Approvals of Banks or Other Depositaries.

All University of Alabama System Entity (University) funds available for deposit, as determined under the policies, objectives, and requirements of Board Rule 404 - Investment Policy and Guidelines - (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:

A. 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.

B. Prior to the Board approval as set out in Section 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 (SAFE). 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 depository as a depository under the provisions of Section I of this Rule and unless the proposed depository has provided (or contemporaneously provides) the documentation required under Section II. B. 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 as Board Rule 405; amended February 15, 2001; September 14, 2012, and June 7, 2019.)
Attachment A to Board Rule 405

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

WHEREAS, the (insert the name of the component of the University System, such as "System Office") desires to create, maintain, and establish an account of the nature hereinafter described with (insert the name of the proposed depository 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 depository 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 depository 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 depository 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 depository) 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 depository 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 depository 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 depository 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. **Contracts on Behalf of the Board**

I. **Authority to Contract and Revisions of Authority**

A. The Board must designate by Resolution those persons who are authorized to enter into a contract on behalf of the Board. These Resolutions should specify that only those persons named in the most current resolution for each division of the University of Alabama System can execute a contract on behalf of the Board.

B. The applicable Resolution for each division of The University of Alabama System should be revised in its entirety when any change is made so that the most current resolution listing those persons who have been authorized to enter into contracts on behalf of the Board can be readily verified by the Secretary to the Board.

For purposes of this Rule, the term “contract” includes any agreement involving the receipt of funds or the expenditure of System, campus, or Hospital funds, whether termed an agreement, purchase order, or otherwise.

II. **Contracts Benefiting Senior Administrators**

Contracts originated by senior administrators, and that may be perceived to benefit that senior administrator, shall be subject to an internal counter-signature process. The second signature should be from someone of sufficient authority, typically of equal or greater authority. For contracts originated by the President, the counter-signature shall come from the Chancellor. For contracts originated by the Chancellor, the counter-signature shall come from the President Pro Tem of the Board.

III. **Conflicts of Interest**

A. All authorized signatories of the Board shall participate in the electronic disclosure process required by Board Rule 106.

B. Regardless of whether an individual is specifically required to participate in the Board’s electronic disclosure process, all persons authorized to sign contracts on behalf of the Board, campuses, Health System, Hospital, or any other related organization must disclose any conflicts of interest in any contract subject to their approval or signature in accordance with Board Rule 106 and 106.2, and have said contract approved by a senior administrator of equal or greater authority before the same is binding.

IV. **Vendor Disclosure Form**

Contracts with the Board shall include a “Vendor Disclosure Form” approved by the Office of Counsel. Such forms shall require disclosure by the proposed vendor of any known conflicts of interest on the part of any University officials involved in the

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4 Senior administrators are defined by Board Rule 106 as follows: “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.”
contract or benefitting from the contract. Exceptions to this requirement shall be approved by the Office of Counsel.

V. Contracts Requiring Board Approval

A. Except as otherwise exempted below, the following contracts must be approved by the Board before the same are binding and effective:

i. All contracts for goods or services, or both, involving an expenditure of $1,000,000 or more for the term of the contract (including all option, renewal or extension periods) that were not procured through a competitive process;

ii. All consulting or professional services contracts involving an expenditure of $250,000 or more for the term of the contract (including all option, renewal or extension periods), regardless of whether the contracts were procured through a competitive process;

iii. All contracts involving the receipt of $1,000,000 or more for the term of the contract (including all option, renewal, or extension periods);

iv. All information technology contracts or projects involving an expenditure of $750,000 or more for the term of the contract or project (including any extensions, renewals, upgrades or expansions to existing technology contracts or projects), regardless of the source of funds; and

v. All loans, whether the UA System entity is the lender or borrower. This provision does not supersede any affiliation agreements that specify a dollar threshold for Board approval of loans.

B. The following contracts are exempt from this requirement:

i. Contracts that are otherwise required to be approved by the Board, such as construction contracts;

ii. Contracts that are otherwise required to be approved by the UAB Health System Authority Board;

iii. Contracts subject to and approved pursuant to the Heightened Review Process described below;

iv. Contracts with publicly regulated utilities;

v. Sponsored research grants and contracts, including associated subcontracts;

5 A technology project includes multiple related contracts for hardware, software, training, contractual services, etc. For example, a single technology project could include a $200,000 contract for a hardware, a $300,000 contract for software, and a $300,000 contract for training. Even though each individual contract does not exceed $750,000, the cost of the entire project does exceed $750,000. Therefore, the entire technology project should be approved.
vi. Contracts with related organizations that have an existing affiliation or joint operating agreement with the Board, or are otherwise incorporated as a university healthcare authority authorized by the Board;

vii. Contracts with federal, state, or local governments or their agencies;

viii. Gift agreements or memorandums of understanding with donors to a UA System entity; and

ix. Contracts related to the provision of legal services executed by the General Counsel.

VI. Heightened Review of Certain Contracts

The Heightened Review Process provides for the System-level review and approval of certain contracts in lieu of Board approval. Contracts subject to and approved by this process must be approved by the Chancellor, or his or her designee, before the same are binding and effective. Contracts described in paragraph V.A. above, and not otherwise exempted pursuant to paragraph V.B., are eligible for review and approval through the Heightened Review Process if they also involve:

A. Circumstances of unusual and compelling urgency (as determined by the Chancellor and Sr. Vice Chancellor for Finance and Administration, after consultation with the President pro tempore, Chair of the Finance Committee, Chair of the Legal Affairs Committee, as well as the Chair(s) of any Committee(s) to which the subject contract relates);

B. Goods or services, or both, in support of or relating to University Hospital;

C. Direct provision of liability or property insurance, or compensation and welfare benefits to employees of the System office or employees or students of the campuses of the UA System, including contracts for the provision of life, disability, health (including student health plans), dental or vision insurance, or retirement, deferred compensation or other arrangement for supplemental benefits or pay not otherwise covered by Board Rule 302; or

D. Intercollegiate athletic competitions.

The System Office shall maintain a form for such submissions and approvals and will provide the Board quarterly reports of contracts approved through the Heightened Review Process.

VII. Competitively Awarded Goods or Services Contracts

All campus or Hospital contracts for goods or services, or both, procured through a competitive process and involving an expenditure of funds of $1,000,000 or more for the term of the contract (including all option, renewal or extension periods) shall be reported quarterly to the Finance Committee in a format with sufficient detail for effective review. Contracts that are subject to approval or have been previously approved by the Board may be excluded from the report.
A. In connection with any procurement subject to Article 5 of Chapter 4 of Title 41, Code of Alabama, an expenditure of $75,000 or more must be awarded by competitive sealed bid unless otherwise authorized by law.

B. All campus or Hospital contracts for goods or services, or both, procured through a competitive process and involving an expenditure of funds of $1,000,000 or more for the term of the contract (including all option, renewal or extension periods) shall be reported quarterly to the Finance Committee in a format with sufficient detail for effective review. Contracts that are subject to approval or have been previously approved by the Board may be excluded from the report.

VIII. Annual Information Technology Plans

A. Annual information technology plans shall be reviewed and approved by the Board. Annual plans shall contain all known information technology contracts or projects requiring Board approval under Sections V(A)(ii) or V(A)(iv) of this Rule. Contracts or projects included in the approved plans will not require separate Board approval unless the terms of the contract change after the annual plan is approved by the Board. Any renewals or extensions of existing contracts or upgrades or expansion of existing projects must be included in these annual plans.

B. The Chancellor and the Sr. Vice Chancellor for Finance and Administration shall review information technology plans and associated contracts and projects and may make recommendations to the Finance Committee regarding such plans and associated contracts and projects.

(Adopted April 21, 1995 as Rule 422; amended September 15, 1995; amended and renumbered December 5, 1997; amended April 6, 2018; June 7, 2019; April 9, 2020; June 10, 2022; September 16, 2022; April 12, 2024).
407. **Audit, Risk and Compliance Committee Operations**

I. **Introduction**

This Rule establishes Board expectations of its Audit, Risk, and Compliance Committee.

II. **Committee Composition**

The Committee will consist of at least three members of the Board of Trustees, all of whom are independent of management. At least one member will have financial expertise, and at least one member will have expertise regarding the law and/or regulatory compliance. The required expertise may be gained through education or experience.

III. **Committee Meetings**

The Committee will meet at least three times per year, and on other occasions on the call of the Board, Chancellor, or Chair. Attendance, agenda, and minutes will be as provided for in Board Bylaws. The Committee may invite senior administrators, officers, auditors, counsel, and other professionals or employees, to attend and provide information. The Committee may hold executive sessions as allowed by Board policy and law.

IV. **Committee Authority and Responsibilities**

The Committee has authority to engage in the following advisory activities related to audit, risk, and compliance functions of the System, its institutions, the Health System, and affiliated entities.

A. **Oversight** - Assist the Board with substantial oversight of these functions, in light of existing and changing legal and other expectations

B. **Escalation** - Forward matters as appropriate to the full Board

C. **Recommendation of Officers** - Recommend to the Board the appointment and removal of the chief audit executive and such other officers to be responsible for these functions, and monitor the effectiveness of those individuals

D. **Retention of Independent Professionals** - Retain independent professionals for advice or assistance, and monitor the effectiveness of such firms or individuals
E. Risk Identification and Assessment - Assist and advise senior administrators with the identification and assessment of risks, such as risks related to noncompliance with financial, regulatory, and other laws and standards, or other risks that may impact System operations, finances, reputation, or assets, including, by example, risks related to physical safety and security, and the safety and security of information and data

F. Mitigation - Assist and advise senior administrators with the development of plans related to the mitigation of such risks, including effective communication with and training of employees, and effective insurance and risk finance programs

G. Monitoring and Enforcement - Monitor and assist senior administrators with monitoring the efficacy of activities designed to reduce risk to System assets, including the consistent enforcement of standards and incentives, especially in response to any actual or perceived failures

H. Periodic Review of Standards and Staffing - Periodically review and recommend necessary changes to policies, practices, staffing, and organizational structure

I. Reports - Request, receive, review, and respond as appropriate to, reports and findings, including internal reports and reports of independent regulators and auditors, such as the State Examiners of Public Accounts; including review and acceptance of annual audited financial statements

J. Investigation - Conduct or authorize special or other investigations

K. Communication - Periodically meet with, promote communication among, and resolve any disagreements among, senior administrators, officers, auditors, counsel, or other employees

L. Coordination - Promote coordination among System institutions and entities

M. Tone at the Top – Promote an effective environment for these functions and undertake such other activities as may be necessary to accomplish the Board’s objectives.

I. Further Duties Related to External Auditors

The Committee shall be responsible for the following additional duties related to the hiring of independent external auditors:
A. Retention - Recommend to the Board the appointment, compensation, and discharge of external financial and other required auditors:
1. Approve in advance all audit and all new/non-recurring non-audit services provided by the external auditor
2. Review the independent, external auditors’ proposed audit scope, approach, compensation, and performance
3. Receive and execute the external audit engagement letter

B. Independence - 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
1. The external audit firm is authorized to perform audit and audit-related services. Audit related is deemed to be federal audit support, internal control reviews and investigations, review of income and other tax matters, internal financial reviews other transactions and audits of affiliated entities or special purpose audits, and other attestation engagements.
2. 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. The lead engagement partner for each campus or entity must rotate no less than every seven years, with a two-year timeout.

C. Review and Respond - Review the results with senior administrators and external auditors and ensure that appropriate actions are taken in response thereto, in accordance with generally accepted accounting principles

VI. Periodic Review of Committee Activities and Role

The Committee shall periodically assess its activities and role with respect to the responsibilities outlined in this Rule, and with respect to the changing expectations and responsibilities of Universities. The Committee shall take action in response to this assessment, including proposing any necessary changes to the Rule.

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 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 process,
7. Significant legislative or regulatory issues impacting the System are recognized and addressed properly.

III. **Authority**

The chief audit executive 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, Risk, and Compliance Committee

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

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 chief audit executive 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

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 chief audit executive shall report administratively to the Chancellor and functionally to the Audit, Risk, and Compliance Committee. In the discharge of his/her duties, the chief audit executive shall:

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

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

V. Chief Audit Executive Responsibilities

The chief audit executive, or his/her designee, will carry out the following responsibilities:

A. Develop a flexible annual audit plan using appropriate risk-based methodology (including consideration of risk and compliance control concerns identified by management) and submit the plan to the Chancellor and the Audit, Risk, and Compliance 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, Risk, and Compliance 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, Risk, and Compliance 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

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 chief audit executive informed about status of audit requests and issues,
F. Participate with the chief audit executive in presenting the audit results to the Audit, Risk, and Compliance Committee, when necessary

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 chief audit executive will exercise the following process until the difference is resolved.

A. The chief audit executive and Campus President will meet to discuss the matter,

B. The chief audit executive and Campus President will meet with the Chancellor to discuss the matter, or

C. When the chief audit executive believes that management has accepted a level of risk that may be unacceptable to the System, the chief audit executive will discuss the matter with the Audit, Risk, and Compliance 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. Areas of noncompliance will be disclosed 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, June 15, 2012, and June 7, 2019.)
409. **Legislative Appropriations Requests**

The responsibilities of the Chancellor for legislative appropriations requests include both Operations and Maintenance (O&M) as well as for Capital Appropriations funds 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

D. 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. Governmental 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 governmental 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, and June 7, 2019.)
Attachment A to Board Rule 409

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

• 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 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, Hospital, and System resources.

- Establishing and supervising an orderly budgetary process that is integrated with the campus and the hospital, a fund of the University of Alabama at Birmingham (hospital) strategic plans and 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, hospital, and system office 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, hospital, and system office 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, hospital, and system office 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, and June 7, 2019.)
411. Minimum Standards, Acceptance, and Reporting of Gifts and Use of Gift Revenue

I. Purpose and Application of Rule

This Rule sets forth expectations of the Board of Trustees related to gifts. The Rule shall apply to all gifts, regardless of source, including gifts given during a donor's life or through a bequest, charitable remainder trust, or other means.

II. Adherence to Ethical and Professional Standards

Campus development offices and development professionals are expected to comply with applicable ethics laws and standards, including the Council for Advancement and Support of Education guidelines, the Model Standards of Practice for the Charitable Gift Planner, which are promulgated by the Partnership for Philanthropic Planning and the American Council on Gift Annuities, and the Code of Ethical Principles and Standards of Professional Practice and Donor Bill of Rights, which are promulgated by the Association of Fundraising Professionals, as each may, from time to time, be revised.

Reporting of the sources and purposes of gifts and fundraising results, as well as the preparation of campaign plans, shall be in accordance with the common and best practices of the professional field of fundraising.

III. General Gift Policy

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

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 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.

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 gifts be used in a manner which will maintain the University’s regional and national reputation.
IV. Minimum Standards for Named Gifts

A. Minimum standards for named gifts are established by the Board. An individual campus, through its President, may adopt higher minimums (but not lower minimums) to be used on that campus for each category of named gift. Each campus shall develop naming and gift acceptance guidelines for their respective fundraising programs while adhering to these Board minimums:

1. Minimum Standards for Endowments

   a. Deanship $2,500,000
   b. Chair 1,000,000
   c. Distinguished Presidential Scholarship 1,000,000
   d. Professorship 500,000
   e. Distinguished Graduate Fellowship 500,000
   f. Visiting Professorship or Distinguished Lectureship 250,000
g. Research Fund or Eminent Faculty Scholar Fund 100,000
   h. Lectureship 75,000
   i. Fellowship or Eminent Scholarship 50,000
   j. Student Loan Fund 50,000
   k. Scholarship or Support Fund 25,000
   l. Award Fund or Library Fund 10,000

2. Minimum Standards for Naming a Facility or Part of Facility

   The matter of naming a facility or part of a facility for a donor, or donor’s honoree, will be decided in all cases by the Board, upon recommendation of the Chancellor and the campus President. Donors will normally be required to provide a gift, or series of gifts, with a total present cash value of no less than thirty-three percent (33%) and usually no less than fifty percent (50%) of the expected construction cost or replacement value of the facility, or portion thereof, not including land, equipment, landscaping, architectural or design fees, utility and infrastructure work, or furnishings. The term facility includes buildings, additions to buildings, space within a building, outdoor space (such as a plaza or court), and other tangible and relatively permanent features located on University property. The specific amount of a gift required to name a facility or space will be recommended to the Board by the appropriate
campus official, giving due consideration to the size, location, prominence, purpose, and level of use of the facility being named. The cost of naming opportunities for some limited time period less than the anticipated life of the space may be lower than naming opportunities that are associated with the life of the space being named, as recommended to the Board on a case-by-case basis by the appropriate campus official.

3. Minimum Standards for Naming a Program or Unit

The matter of naming a college, school, department, or other program or unit will be decided in all cases by the Board, upon recommendation of the Chancellor and the campus President. Campus programs or organizational units may be named with a gift that is determined to be of transformational and sustaining value to the program or unit being named. A substantial portion of the gift should be designated as a permanent endowment with the income providing a perpetual stream of support for the program or unit. Minimum gift levels follow, and the specific amount required to name a program or unit will be recommended to the Board by the appropriate campus official, giving due consideration to the size, scope, national recognition, annual operating budget, student enrollment or patient volume, if applicable, and number and accomplishment of the faculty of the program or unit being named. The cost of naming opportunities limited in term may be lower than naming opportunities that are associated with the life of the program or unit being named, and such pricing will be recommended to the Board on a case-by-case basis by the appropriate campus official.

a. College $10,000,000
b. School/Department 5,000,000
c. University Institute/Program/Center 3,000,000
d. College or School Institute/Program/Center 1,000,000

B. Periodically, the Board will review minimum standards for gifts to consider whether adjustments are needed in order to assure adequate income for designated uses.

C. When a facility, part of a facility, college, school, department, program, or unit is to be named in consideration of a financial contribution, the gift shall be received by the University, or its future receipt shall be assured, pursuant to a naming agreement, as follows:

a. While the Board retains its power to accept gifts and to recognize donors in its complete discretion on a case-by-case basis, the standard practice shall be that, before the naming is made, at least forty (40) percent of the pledged gift amount for the naming must be received, and the remainder of the pledged gift amount must be received within four (4) years thereafter, unless cash flow requirements for construction or renovation
require an abbreviated payment schedule. If it is anticipated or desired that an exception to this standard practice should be made, then the request for an exception should be reviewed with the Chair of the Honorary Degrees and Recognition Committee as early as possible prior to the execution of a naming agreement. This standard requirement may be waived by the Board in its discretion.

b. If the pledged donation is to name new construction, renovation, or other projects with cash-flow considerations, the timing of the pledge payments must satisfy cash-flow demands.

c. No facility, part of a facility, college, school, department, program, or unit will be named in recognition of revocable planned gifts.

d. Gifts made through an irrevocable planned gift are subject to the following additional rules:

1. Minimum amounts for naming can be set higher for a particular gift based upon the present value of the gift or if the actual amount to be received by the University could be significantly delayed or reduced by the time the entire gift is actually received by the University.

2. Determination of the naming value of such gifts must be agreed to by the campus President and the Vice President for Advancement, and the Chair of the Honorary Degrees and Recognition Committee in advance of acceptance of the gift.

D. Naming opportunities secured through future payments will be revoked if the donor fails to meet his/her financial obligation. The University also reserves the right to dispose of any named property or facility as deemed necessary via sale, demolition, etc. The University reserves the right to close, merge, or dispose of any college, school, department, program or unit, and said decision may affect the name thereof, when warranted by academic decision-making. Named properties may be amended, removed, or disposed of only upon recommendation by the campus President and approval by the Board with notification to be provided to the donor or donor’s representative. Should a named building be demolished or replaced, the University will consider appropriate recognition including, but not limited to, placing a plaque in or near a new building to indicate it occupies the site of a building formerly known by another name; however, the University is not obligated to transfer recognition to another facility. If the name of a donor changes, the University may change the name of the facility or entity at the donor’s request and expense.

E. While the Board retains its power to accept gifts and to recognize donors in its complete discretion on a case-by-case basis, the Board generally disfavors the naming of buildings, significant landmarks, significant exterior spaces, or
colleges, schools or departments in the name of businesses, corporations, or other for-profit commercial enterprises. Any naming approved in the name of a business, corporation, or other for-profit commercial enterprise, should normally include a term limit for the naming, which should generally be a term in the range of five (5) to ten (10) years. If it is anticipated or desired that an exception to this policy should be made, then the request for an exception should be reviewed with the Chair of the Honorary Degrees and Recognition Committee as early as possible prior to the execution of a naming agreement.

F. Naming-related signage should be consistent with established campus design standards and conform to the aesthetics of the campus as a whole.

G. Subject to this Section IV of the Rule, in cases in which it is impractical or undesirable for a donor to make endowment gifts, the Board will allow, upon recommendation of the campus President and Vice President for Advancement, named gifts supported by pledges of annual or periodic contributions to be expended annually for a designated purpose, separate and distinct from gifts to name a facility or program as described in Section IV.A., Items 2 and 3. The naming shall exist for as long as the gifts are received and for the useful life of the fund, and the amount of the annual contribution must be greater than or approximate to the amount that would be annually distributed if the total gifts were endowed. If donations become inadequate to support the designated purpose, the designation will be discontinued.

H. Unless specifically approved by the Board in its discretion, when considering gifts in which a physical facility, part of a facility, college, school, department, program, or unit will be named, no credit or consideration will be given to past gifts or contributions unless the past gifts or contributions relate directly to the naming opportunity.

V. Acceptance of Gifts

A. In order to protect the donor and the University, gifts must be accepted either by the Board or by its duly authorized personnel.

B. The following categories of gifts must be recommended by the Chancellor and President and approved by formal resolution of the Board:

1. Gifts to establish new endowments. Gifts to create endowments must comply with the minimum standards set forth herein, and investment of endowment funds must comply with Board Rule 404.
2. All named gifts, including gifts conditioned on the naming of a facility, part of a facility, college, school, department, program or unit.
3. Gifts restricted as to investments.
4. Gifts of real property or an interest therein.
5. Gifts of undivided interests.
6. Gift-sales or gifts subject to any encumbrance.
7. Gifts of non-publicly traded stock or otherwise of ownership, membership, or partnership interests for which there is not a ready market, regardless of whether such interests are passive.
8. 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.

The gifts described in B.1. through B.8. 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 campus Vice President for Advancement to assure that the objectives of both the prospective donor and the Board will be met.

C. The Executive Committee of the Board may act upon gift recommendations so long as the request for Board approval is submitted by the appropriate recommending body of the institution (which should generally include the President, Chief Development Officer, Chief Financial Officer, Legal Counsel, and other appropriate party/department associated with the gift, i.e. Dean or Athletic Director), and is accompanied by a statement of a ‘compelling reason’ for consideration prior to the next Board meeting. After receipt of a properly submitted request for action prior to the next Board meeting, the submittal will be reviewed within five (5) business days, after which, in the discretion of the Pro tem, the Executive Committee may convene a meeting to consider the gift recommendation, or the gift recommendation may be considered and approved through the Board Rule’s signature process.

D. The Chancellor or the Presidents, or their designated representatives, shall have full authority to accept all gifts not described in paragraph B above, including charitable remainder or lead trusts. Charitable lead trusts, unitrusts, and annuity trusts will be administered in a manner consistent with Internal Revenue Service regulations and the laws of the State of Alabama.

VI. Fundraising Campaigns

A. Significant, multi-year comprehensive fundraising campaigns or initiatives proposed by the campuses must first be submitted to the Chancellor and the Board for information and approval. A significant, multi-year comprehensive fundraising campaign or initiative is defined as follows:
A major institutional fundraising effort conducted over two or more years which is designed to meet multiple campus needs or priorities and which has a goal of at least $100 million.

B. Other fundraising campaigns or initiatives conducted by the campuses which have a goal of at least $10 million but less than $100 million will be presented to the Board for informational purposes.

C. Significant, multi-year comprehensive fundraising campaign plans shall be prepared in accordance with the common and best practices of the professional field of fundraising, and the campuses are encouraged to share these plans with the other campuses for informational purposes at the same time they are submitted to the Chancellor’s Office for review and approval by the Board.

D. In the event that one of the System institutions wishes to undertake any plan of fundraising in which a specific building or definable portions of a specific building would be proposed for naming opportunities, the Board may approve such plan in its entirety in advance.

   a. By such approval the Board does not intend to preapprove any particular naming. Rather, in such instances, all proposed namings resulting from the fundraising efforts shall be conditioned on Board approval, and shall be submitted to the Chancellor and the Board for approval in compliance with this Rule 411.

   b. Such plans of fundraising shall include (1) each space or definable portion of a building to be named; (2) The proposed value of the naming opportunity; and (3) The documentation and calculations necessary to demonstrate that the naming opportunity is in compliance with this Rule 411.

   c. If a space or definable portion of a building has a change in cost or size that is justified after the Board has approved the project, then the naming will still be allowed as long as the original amount gifted complied with Board Rule 411 at the time of the naming.

   d. Board-approved lists of naming opportunities shall become void and of no effect after three (3) years of original Board approval unless it has been re-submitted and reviewed by the Honorary Degrees and Recognition Committee.

Each foundation which provides financial support to the campuses, divisions, and/or programs of The University of Alabama System is requested to provide, to the campus through which it is affiliated, the information necessary for the report.
In addition to the presentation of the reports listed in subsection A 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. Quasi-Endowments

Unlike pure endowments, which are created with third-party funds and must be invested in perpetuity, quasi-endowments are endowments created with institutional funds and may be unwound at the Board’s discretion. The Board generally disfavors the creation of quasi-endowments but recognizes there are unique circumstances for doing so, such as when a donor has requested a matching gift. Additionally, accumulated unspent earnings from a pure endowment may be used to create a related quasi-endowment, the annual earnings from which could be used together with the annual earnings from the pure endowment to enhance the amount of funds used annually for a particular purpose. In no event, however, should a quasi-endowment be created that is unrelated to an existing pure endowment.

VIII. Acknowledgment of Gifts by Board

The Board at its discretion may adopt a resolution expressing appreciation 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.

IX. Waiver of Board Rule

Upon recommendation of the campus President and Chancellor, the Board may approve such exceptions to the minimum standards and conditions of this Rule, as the Board deems appropriate.

X. Amending, Removing, or Withdrawing any Naming

Notwithstanding anything herein regarding the naming of any endowment, physical facility, part of a facility, building, college, school, department, program, or unit, or anything whatsoever, The Board of Trustees of The University of Alabama, in its sole discretion, may amend, remove, or withdraw any naming, at any time and for any reason.

Attachment A to Board Rule 411

University Funds Received From Private Sources
Quarter Ended ______________

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<tr>
<th>By Program:</th>
<th>Restricted</th>
<th>Unrestricted</th>
<th>Total</th>
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<td>Humanities</td>
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<td>Natural Science &amp; Mathematics</td>
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| By Source:                       |            |              |       |
| Alumni                           |            |              |       |
| Non-Alumni                       |            |              |       |
| Corporations                     |            |              |       |
| Foundations                      |            |              |       |
| Others                           |            |              |       |
| Gifts-in-Kind                    |            |              |       |
| Total                            |            |              |       |

| By Fund Group:                   |            |              |       |
| Unrestricted Current Funds       |            |              |       |
| Restricted Current Funds         |            |              |       |
| Loan Funds                       |            |              |       |
| Endowment Funds (Pooled)         |            |              |       |
| Endowment Funds (Separate)       |            |              |       |
| Plant Funds                      |            |              |       |
| Annuity & Life Income Funds      |            |              |       |
| Total                            |            |              |       |
### Attachment B to Board Rule 411

**Foundation Funds Received from Private Sources**
**Quarter Ended _____________**

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<th>By Program:</th>
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Utility Easements

Upon the prior review by the General Counsel and approval by the Chancellor, or his or her 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

A. Overview

The Board is responsible for the overall planning and management of the physical facilities on the 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.

1. 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:

a. Review and approval of Campus Master Plans and associated architectural design standards for each campus

b. Methodologies for selecting consulting architects, engineers, construction managers and program managers

c. The means and methods of pre-qualifying and selecting general contractors, construction managers, and design-builders to oversee construction on each campus

d. Project and construction budget controls and monitoring through the Chancellor’s office

e. Review of the required ongoing evaluations by campus officials of architects/engineers, construction managers, and general contractors who are awarded contracts on each campus

f. Review of criteria established by the Chancellor for annual funding commitments to reduce deferred maintenance liabilities on each campus

g. Management of campus real estate resources
2. **Staff Support**

The Vice Chancellor for Finance and Administration and the Assistant Vice Chancellor for Construction Management shall provide staff support in conjunction with the implementation of Board Rule 415.

**B. 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:

1. Campus master planning
2. Systematic planning for capital projects, purchase/lease of equipment, and real property acquisition/disposition
3. The establishment of an orderly process for the accomplishment of major capital projects
4. The selection and appointment of architects, engineers, construction managers, program managers, and other design and construction entities with primary contractual responsibilities for project delivery
5. The delegation of responsibility for the management of existing capital assets

**C. 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:

1. **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.

   a. 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.

b. 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.

c. 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.

2. 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.

3. 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 C.5.a. 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 Vice Chancellor for Finance and Administration and
the Assistant Vice Chancellor for 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.

4. 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. The request shall be reviewed by the Vice Chancellor for Finance and Administration and the Assistant Vice Chancellor for Construction Management prior to inclusion on the Finance Committee agenda for consideration.

5. Guidelines for Project Development and Implementation

a. Each capital project that involves the construction, demolition, or renovation of University facilities which has an estimated Total Project Cost equal to or greater than $1,000,000 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.

b. Generally, capital projects with an estimated Total Project Cost of less than $1,000,000 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.

c. Purchases or leases of individual items of equipment equal to $750,000 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 $750,000 to avoid required Board consideration.

d. 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:

1. The capital expenditure or value of the leased equipment is less than $1 million; and

2. 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.

6. Guidelines for Real Estate Transactions

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

1. An Annual Timber Management Plan shall be presented to the Board for review at the June meeting subject to approval at the September meeting. The Plan shall provide a proposed harvest schedule for the upcoming year. Sales authorized through the Timber Management Plan shall be conducted in accordance with Attachment D.

1. All leases of University-owned real property shall be submitted to the Board for approval in accordance with Attachment E. Leases of off-campus property (where the University is the
lessee) shall follow the process outlined in Attachment E\textsuperscript{1}.

3. The Board will approve by resolution for each campus, and for the System Office, an agent who will function as designated in Attachments D, E, and E\textsuperscript{1}.

D. Facilities Management

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
($1,000,000 OR MORE)

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

1. New projects shall be presented as a 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 Vice Chancellor for Finance and Administration and the Assistant Vice Chancellor for 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 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 the 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 Alabama Board for Registration of Architects, the Alabama Board for Registration of Engineers, the Alabama Contractors Licensing Board and 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) or underground utility work 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:

f. Each campus submits, prior to the receipt of bids, detailed quantitative budget estimates for each trade contract.

g. The cumulative bid totals are equal to or less than the above-referenced trade contract estimates.

h. The campuses provide ongoing reports to the Chancellor’s office on awarded trade contracts.

i. Budget overruns shall not occur without specific Board approval.

**IMPORTANT:** Capital construction projects with a Total Project Budget equal to or greater than $1,000,000 can be executed using multiple construction “packages”. For example, Package A – Demolition and Abatement; Package B – Construction. (Not to be confused with a Construction Management (CM) delivery of multiple trade contracts – See above for CM instructions.) Generally, a construction contract for a “package” can be awarded without Board approval under the following conditions:

a. A Total Project Budget including the proposed construction package as a line item has been reviewed and approved at the Stage II or Stage III level by the Board of Trustees.

b. The budgeted amount for the construction package is less than $1,000,000.

c. A Total Project Budget with multiple construction packages must include at least one construction package in excess of the $1,000,000 threshold.

d. The bid amount for the construction package does not exceed the budget line item included in the approved Total Project Budget.

e. The campus must provide notification of the construction contract award for the package to the Assistant Vice Chancellor for Construction Management.

f. The contract award for the construction package is noted in a future Resolution to the Board of Trustees.
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 and underground utility projects. Increases to the total project budget must be presented to the Board for approval.

14. Accept project.

15. Disburse final payment to contractor.

16. Transmit Post-Construction Report to Assistant Vice Chancellor for Construction Management in accordance with Attachment I, “Capital Project Report”.

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 database 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.
ATTACHMENT B TO BOARD RULE 415

SELECTION AND APPROVAL FOR ARCHITECTS, ENGINEERS, AND CONSTRUCTION PROFESSIONALS*

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 Vice Chancellor for Finance and Administration and the Assistant Vice Chancellor for Construction Management.

A. 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:
  a. the size and scope of the project
  b. the type of expertise required to effectively design the project
  c. the schedule for the project
  d. the estimated cost of the project
  e. 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

B. A/E Selection Committee prepares listing of qualified A/E consultants, utilizing the following criteria:

1. General experience and competence of the firm and its principals
2. General experience of principals or staff architects, engineers, and other personnel with respect to projects of similar size, scope, and complexity
3. Licensing and approval for work within the State of Alabama
4. Review of performances on recently completed projects using a System wide performance evaluation data base maintained by the Chancellor’s office and including the following information:
a. Programming and design performance

b. Completeness and timeliness of plans and specifications

c. Accuracy of pre-construction estimates

d. Qualifications to determine alternative energy sources and the ability to consider energy conservation and life-cycle cost analyses

e. The ability to design within stipulated budgets

f. Construction administration performance

g. Design errors and omissions

h. Budget overruns and change orders

i. Post-construction performance during the project guarantee period

j. Experienced staffing and the design expertise to produce design and construction documents to meet the project schedule

C. 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:

1. 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.

2. 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 a. and b. below. Both categories of firms shall be included in the term “Alabama-based firms,” as used in this Board Rule.

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

    b. 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).
c. 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).

3. At least three finalists shall be selected and ranked by the Architectural Selection Committee utilizing those criteria listed above.

4. After the Campus Selection Committee has completed the ranking of the top three firms, the ranking shall be submitted for approval of the Vice Chancellor for Finance and Administration 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.

5. 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.

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

7. 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.

   a. 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.

   b. 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.

   c. 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.

8. 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.

9. The Campus Finance Officers or their designees should proceed using this methodology until a fair and reasonable fee acceptable to the University is negotiated.
10. 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.

11. After negotiating a consulting agreement, campus administration submits documentation of
selection process and justification to support final selection to the Vice Chancellor for Finance and
Administration 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.
ATTACHMENT C TO BOARD RULE 415

JUSTIFICATION AND APPROVAL OF ITEMS OF EQUIPMENT
($750,000 OR MORE)

Purchases of individual items of equipment equal to or exceeding $750,000 in cost, or leases of individual items of equipment equal to or exceeding $750,000 in value, shall be submitted to the Board for approval prior to execution with summaries which include:

A. Nature and type of equipment requested

B. Location of proposed equipment

C. Estimate of total cost and proposed method of financing

D. Estimate of additional operational costs with respect to utilities, personnel, and maintenance

E. Relationship of new equipment to current programs and/or to proposed programs at the institution

F. 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**:

A. **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. 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

   b. Copy of sale contract, in substantially final form

   c. Copy of appraisal

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

8. Timber sales authorized through the Timber Management Plan **do not require Board approval**. Provided however, if a tract’s proposed sales price is below the projected minimum included in the Timber Management Plan, the sale must be brought to the Board for approval.

9. 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.**

B. **Acquisitions**

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

   a. 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

   b. Copy of purchase contract, in substantially final form

   c. Copy of Phase I environmental assessment

   d. Copy of appraisal
ATTACHMENT E TO BOARD RULE 415

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

A. All ground leases must be presented to the **Board for approval prior to execution**. For ground leases other than those covered in sections B and C below, the following documentation must be provided:

1. 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.

2. Copy of the lease, in substantially final form.

B. 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 9 of Attachment D of this Board Rule, except that such documentation must relate to a lease rather than a sale:

1. 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.

2. 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.

C. 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:

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

2. 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.

D. 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 A, B, or C above, must be handled in the same manner prescribed for dispositions in Attachment D of this Board Rule.
ATTACHMENT E¹ TO BOARD RULE 415

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

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

B. Operating 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:

1. The lease has a duration of one year or less, and the value of such lease is less than $750,000;

2. The lease has a cumulative lease value of $750,000 or less (for the purposes of this provision, “cumulative lease value” shall be the value of the initial term plus any renewal options); or

3. The lease is between the University and an affiliated institution, such as a foundation or non-profit corporation, and the value of such lease does not exceed the thresholds established in B.1. or B.2. above.

C. Any Operating Lease that fails to satisfy subparts 1 - 3 above shall be presented to the Board for approval prior to execution by campus Presidents or their designees.

1. 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
D. All operating 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

A. Statement of Mission and Executive Summary

1. 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.

B. Financial Review

The Financial Review section should include the following:

1. 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.

C. 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.

D. 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.

E. 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 $1,000,000 or greater and equipment purchases/leases of $750,000 or more which are not part of a construction project.
ATTACHMENT G TO BOARD RULE 415

FORMAT OF BUSINESS PLANS TO BE DEVELOPED FOR MAJOR CAPITAL PROJECTS *
FOR AUXILIARY AND OTHER SELF-SUPPORTING ENTERPRISES

A. Statement of Mission and Executive Summary

1. 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.

B. Financial Review

The Financial Review section should include the following:

1. Base year report of revenues and expenses for the auxiliary or other self-supporting enterprise before the proposed changes are made.

2. Projections of revenues and expenses for the next five years, assuming that the proposed change is made.
   a. Expenses should reflect direct and indirect costs.
   b. 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.

2. A complete listing of all assumptions and procedures used in developing the revenue and expense projections, including the rationale for anticipated growth.

3. A detailed analysis of the financial implications associated with the proposed change for other parts of the University.

C. Market Review

1. 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.

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

D. Programmatic Review
1. Discussion of programmatic impact of making or not making this change.

* Construction, renovation and additions of $1,000,000 or greater and equipment purchases/leases of $750,000 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.
## ATTACHMENT I - BOARD RULE 415
### CAPITAL PROJECT REPORT

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<tr>
<th>SUBMITTED TO:</th>
<th>Assistant Vice Chancellor for Construction Management, UAS</th>
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### PROJECT DELIVERY:
- [ ] Design/Bid/Build
- [ ] Construction Management
- [ ] Other
  - If other, list: ____________________________________________

- [ ] New Construction
- [ ] Renovation

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/¹ This report shall be filled with the Assistant Vice Chancellor for Construction Management for the University of Alabama System no later than one hundred eighty (180) days from the date of substantial completion for all capital project construction awards approved by the Board of Trustees. (report due from date of last package/purchase completed when applicable)

/² On interior renovation projects please reflect the date project was开工ed to the Board by UAS, which is considered “Stage IV” for tracking purposes

/³ Performance Rankings: 1 - Exceeds Expectations, 2 - Meets Expectations, 3 - Below Expectations
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<tr>
<th>Breakdown of Change Orders by Package: (if applicable)</th>
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<tr>
<td>Total Change Order Amount (all change orders included)</td>
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Change Order Percentage ⑥:

② On Interior Remodeling Projects please refer the data project was Requested to the Board by USA, which is considered "Stage IV" for tracking purposes.

④ Construction Amount amount reflects TOTAL Construction Amount including Change Order Amounts.

⑥ Change Order Percentage = (Total Change Order Amount) / (Total Project Construction Contract Amount) (with change order items included if applicable)

NOTE: The maximum project contingency for construction change orders shall not exceed 5% of total budget on renovation projects and 3% of total budget on new construction projects.
Outstanding Claims or Disputes:

YES

NO

If Yes, Explain:
ATTACHMENT J TO BOARD RULE 415

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 Finance and Administration 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 Finance and Administration, 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 (see Attachment I) no later than 180 days from the date of substantial completion for all
Capital Projects approved in accordance with Board Rule 415 to the Vice Chancellor for Finance and Administration. 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. Proposed Project location is consistent with the Campus Master Plan and University Design Standards and the principles contained there?

   - [ ] Yes  ________ Campus Master Plan Amendment Required

   If Campus Master Plan amendment required, explain:
4. Provide information on classification of new space provided by this Project and latest utilization data on similar type space on campus.

<table>
<thead>
<tr>
<th>Proposed New Space/Facilities</th>
<th>Number (Spaces/Rooms)</th>
<th>Capacity (Persons)</th>
<th>Area (NASF)</th>
<th>Existing Space Utilization Data (See Notations)</th>
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<td>110 Classroom</td>
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Data reported on latest fiscal year data available. Utilization factor based on Scheduled Operating Hours at each Campus – outlined below in notations.

**Comments/Notations:**
5. How will this Project enhance existing/new programs and undergraduate/graduate enrollments?

   Estimated new Funds from Tuition/Programs $ NA Yr.

Comments:

6. Facility user group established to provide input for planning, programming, and design purposes? □ Yes □ In-Progress

If yes, list key members of user group:
7. **Source(s) of funding for Total Project Development Costs.**

<table>
<thead>
<tr>
<th>Source(s)</th>
<th>New Funds (FY_______)</th>
<th>Reserves</th>
<th>Status /7</th>
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//7 Approved, allocated, pending

**Comments:**
8. 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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<th>Expense</th>
<th>FY 2014-2015 Base Data /8</th>
<th>First Full /YR Occupancy FY</th>
<th>Successive Five (5) Year Projections /9</th>
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/8 Latest Fiscal Year Data used as Base Year for Projections
/9 Combined Costs for next Five (5) Years of Occupancy

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

<table>
<thead>
<tr>
<th>Source(s)</th>
<th>Occupancy Yr /9 (FY _________)</th>
<th>Future Years /10</th>
<th>Status /7</th>
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<tbody>
<tr>
<td>Tuition</td>
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<tr>
<td>Student Fees</td>
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<td>Investment Income</td>
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<td>Auxiliary Income</td>
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<td>Direct Grant(s)</td>
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<td>Reallocated Funds /11</td>
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<td>Gifts</td>
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<td>Other</td>
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<td><strong>Total/YR</strong></td>
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</tbody>
</table>

/9 Initial Full Yr of Occupancy
/10 Next Five (5) Yrs Occupancy
/11 Funds Reallocated from other sources
/7 Approved, allocated, pending

Comments:

10. Development expenditures for this Project being used to reduce the current deferred maintenance/facilities renewal liabilities for the Campus?

$ _____________ _______ % of Total Development Costs

Comments:
11. What other development alternatives were considered in the planning process for this Project?  

Comments:  

/13 Renovation vs. new construction, adaptive reuse of underutilized buildings, etc.  

12. Explain how the project will promote adequacy of campus facilities in relation to the University’s Mission and scope of programs and/or services:  

13. How does the project correlate to the University’s strategic goals?  

14. What would be the immediate impact on campus programs and enrollment if this project is not approved?  

Comments:  

/13 Renovation vs. new construction, adaptive reuse of underutilized buildings, etc.
## BUSINESS PLAN FOR NON-HOSPITAL RELATED PROJECTS

**Campus:**  
**Building:**

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<th>Years</th>
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### Expenses

**Utilities**

- Electricity
- Water
- Steam
- Chill Water
- Natural Gas

**Insurance**

**Janitorial**

- Employee Cost
- Supplies
- Contract Services

**Maintenance**

- Fixed Equipment
- Structural
- Interior Surfaces
- Exterior Surfaces
- Landscape & Grounds

**Administrative Overhead**
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<th>Deferred Maintenance Sinking Fund</th>
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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; 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 may or may not be utilized depending if they produce the lowest total cost for the University. To make the decision that is most advantageous to the University or the UAB Medicine Financing Authority (the Obligated Group) in the issuance of bonds, the Board, therefore, will review and approve in advance each bond issue and the recommendations of the campus financial Vice Presidents/Health System chief financial officer (CFO) for underwriters and any financial advisor/municipal 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 a campus or the Obligated Group.

COMPETITIVE SALE

If a campus or the Obligated Group 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. When possible, University System entities issuing bonds should consider multi-series and structures of bonds to allow for
participation from both investment banks and commercial banks. By offering bonds in multiple series and structures, the University System entities may take advantage of increased demand to lower the total cost of capital.

**FINANCIAL/MUNICIPAL ADVISORS**

The campus financial Vice Presidents/Health System CFO 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/municipal advisor. Financial/municipal advisors shall be selected via a Request for Proposals (RFP) process as outlined in Attachment A. At the discretion of the campus, financial/municipal advisors may be selected for each issuance or for a period not to exceed three years. Any firm chosen must be an independent registered municipal advisor with the Municipal Securities Rulemaking Board (MSRB) and the Securities and Exchange Commission (SEC).

**UNDERWRITERS**

If the Board has approved a negotiated bond sale, the campus financial Vice Presidents/Health System CFO 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/municipal advisors or in any other capacity than underwriter for that particular issuance. Any campus or the Obligated Group 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 the Obligated Group 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. If a campus or the Health System is using other professional services, then the underwriter or municipal/financial advisor must provide details in writing of the firms or individuals who are receiving payments. 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 The Obligated Group will complete a New Bond Issuance Summary (Exhibit 1) which will be submitted to the Vice Chancellor for Finance and Administration. The report will be distributed to the Board. On an annual basis, the Vice Chancellor for Finance and Administration will prepare for the Board a summary report for the bonds issued and outstanding during the fiscal year.

**BOND ISSUANCE BY AFFILIATE**

Unless otherwise specified by agreement, no affiliate of the System 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.

**BOND ISSUANCE BY UAB MEDICINE FINANCING AUTHORITY**

The UAB Medicine Financing Authority (Obligated Group) is the legal and financial structure used by the Health System to issue debt. All members of the Obligated Group must first obtain approval from their governing bodies prior to obtaining authorization from the UABHS Board. With the exception of the Health Services Foundation, all remaining members of the Obligated Group must be authorized by the Board of Trustees to issue debt after the approval of the UABHS Board.

**THE PURPOSE OF THIS PROCEDURE**

There is no legal requirement for a campus or the Obligated Group 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 a campus or the Obligated Group. This procedure is adopted for the sole advantage of a campus or the Obligated Group.

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 a campus or the Obligated Group. 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 a campus or the Obligated Group in the borrowing of funds or the issuance of bonds or other debt.

(Adopted June 17, 2005; amended April 8, 2011, and June 7, 2019.)
GUIDELINES
FOR OBTAINING FINANCIAL/MUNICIPAL ADVISOR, UNDERWRITER, AND OTHER RELATED SERVICES

Obtaining Board Approval for Financial Advising Services:

The campus financial Vice President/Health System CFO will select its financial/municipal advisors by a competitive process through the issuance of a Request for Proposals (RFP) distributed by means to provide the widest exposure.

Submitted proposals will be evaluated on a predetermined criteria and ranked by a committee established by the campus financial Vice President/Health System CFO. In choosing among financial/municipal 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 campus financial Vice President/Health System CFO will submit to the Vice Chancellor for Finance and Administration 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 financial Vice President/Health System CFO in writing when this review has been completed. After notification that the review has been completed, the campus financial Vice President/Health System CFO will present the list of recommended financial advisors to the Board for review and approval.
After obtaining Board approval, the campus financial Vice President/Health System 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 campus financial Vice President/Health System CFO shall proceed using this methodology until a fair and reasonable fee acceptable to the University is negotiated.

Each campus and the Health System has the option of contracting with a financial/municipal advisor for a term not to exceed three years.

**Obtaining Board Approval for Bond Issuance:**

Campuses or the Health System 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 information on Outstanding Current Debt in a form similar to information presented annually in the Fiscal Year Financial Analysis Report and Long Term Debt Report as reported in Tab 3 of the Annual Consolidated Capital Projects and Facilities Report (ACCPFR). In addition, entities must complete the Request for New Debt Issuance (Form A). 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 Health System may begin the process of obtaining professional services for underwriting. This process can be done simultaneously with the selection of a financial/municipal advisor.

**Obtaining Board Approval for the Competitive Sale of Bonds:**

After the request to issue debt has been approved, the campus financial Vice President/Health System CFO may begin the process of issuing bonds through the competitive bid process. Before the bonds are competitively bid, the campus financial Vice President/Health System 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. In coordination with the General Counsel, Bond counsel will provide a resolution to the Board for approval that establishes the parameters for the competitive sale and the designated board members with authority to approve the sale. Upon approval, the campus financial Vice President/Health System CFO may proceed with the competitive bid process, selling the bonds to the underwriter or syndicate which provides the best purchase price that results in the lowest yield (total interest cost) to the campus or hospital at the bid opening on the established sale date. Final approval for the sale must be made by the designated Board Member, generally the President Pro Tempore of the Board, the Chair of the Finance Committee, or Vice Chair of the Finance Committee, as set forth in the resolution approving the sale of bonds.
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 campus financial Vice President/Health System CFO will select its underwriters by a competitive process through the issuance of an RFP distributed by means to provide the widest exposure.

Submitted proposals will be evaluated on a predetermined criteria and ranked by a committee established by the campus financial Vice Presidents/Health System CFO. In choosing an underwriter from equally qualified firms, preference will be given to Alabama-based firms or syndicates as defined above.

The campus financial Vice Presidents/Health System CFO will submit to the Vice Chancellor for Finance and Administration 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 financial Vice Presidents/Health System CFO will present the list of recommended underwriter(s) to the Board for review and approval.

After obtaining Board approval, the campus financial Vice Presidents/Health System 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 campus financial Vice President/Health System 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)

| Entity: | __________________________ |
| Fiscal Year: | Series: __________________________ |
| Amount of Offering: | Par Value: ________ |
| Stated Interest Rate: | |
| Fixed: | Variable: ________ |

| Bond Counsel: | __________________________ |
| Underwriters: | __________________________ |
| Bond Sale is: | Negotiated: ________ Bid: ________ Both: ________ |

(Please summarize how the decision was made)

| Amount of Offering that is: | |
| New Money: | ________ |
| Refunded: | ________ |
| Restructured: | ________ |

What is the net present value of savings/loss on the restructuring: ________

Annual savings: ________

Total debt including this offering: ________

How much will this offering increase annual debt service: ________

Total annual 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)

Entity: ____________________________
Fiscal Year: ____________________________ Series: ____________________________

Projects that will be funded from this offering:
(Please list project and amount dedicated from bond offering)

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<th>Project</th>
<th>Total Cost</th>
<th>Amount Funded From This Issuance</th>
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Total $ $

Is there the potential for arbitrage with this offering: ____________________________
If so, please explain how it will be mitigated:

__________________________
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New Bond Issuance Summary
For Presentation to The Board of Trustees of
The University of Alabama
Board Meeting on: (date of meeting)

Entity: ________________________________
Fiscal Year: ____________________________ Series: __________________

<table>
<thead>
<tr>
<th>Issuance Cost Summary</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Bond Counsel</td>
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<tr>
<td>Financial/Municipal Advisor</td>
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<td>Underwriter(s)</td>
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<tr>
<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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<td>Standard &amp; Poor’s</td>
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<tr>
<td>Moody’s</td>
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<tr>
<td>Fitch</td>
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<tr>
<td>Insurance Premium</td>
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<td>Trustee Annual Fees</td>
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<tr>
<td>Other Costs</td>
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<td>Please list</td>
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<tr>
<td>Total Cost of Issuance</td>
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<tr>
<td>Percent of Total Issuance</td>
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Entity Rating With the Additional Debt:
S&P: ____________________________
Moody’s: ________________________
Fitch: _________________________
UNIVERSITY OF ALABAMA SYSTEM
FORM A
Summary of Current Debt
Fiscal Year

Entity: ____________________________

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 & Poor’s

Moody’s __________
Fitch __________
**UNIVERSITY OF ALABAMA SYSTEM**  
FORM B  
Requested New Debt Issuance  

For Fiscal Year ________________

Entity: ____________________________

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
AND STUDENT AFFAIRS
501. **Responsibilities of the Academic Affairs and Student Affairs Committee**

I. The revised Bylaws of The Board of Trustees (herein called Board) provide for a standing Academic Affairs and Student Affairs 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. 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.

3. 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 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.

C. Review financial and facilities plans that impact academic, student, research, and service programs.

D. 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.

E. Review and recommend the creation of chairs and professorships and appointments to them. (See BR 508-I-B)

F. 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.; amended April 6, 2018)
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, with a copy to the System Vice Chancellor for Academic Affairs, 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, should be explored at the campus and System levels whenever a new degree program of instruction is considered. Campuses are expected to address this when notifying the Board that a proposal is pending.

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

With the elimination of the Alabama Commission on Higher Education’s Notice of Intent to Submit a Proposal (NISP) process, University of Alabama System campuses are expected to present a Notification of Pending Proposal (NPP) form to the System Office of Academic and Student Affairs at least one full month prior to the deadline for receiving Board items for the meeting agenda on which the campus will be requesting the new program proposal to appear. This will allow time to confirm that the need and/or demand for a new academic program has been properly assessed at the campus and System levels and ensure that an opportunity for review and feedback has been provided to other UAS campuses, and appropriate System administrators, before a full program proposal is presented to the Board of Trustees for initial approval.

A. Pre-proposal Process

1. The faculty completes the UAS Notification of Pending Proposal (NPP) form.
2. Campus committees review the NPP.
3. The Provost/Vice President for Academic Affairs reviews the NPP.

4. The NPP is reviewed and approved by the President and forwarded to the Chancellor, with a copy to the System Vice Chancellor for Academic and Student Affairs, for review no later than one month prior to the deadline for Board materials for the meeting at which the proposal will be considered by the Board of Trustees.

5. The System Office sends the completed NPP forms to the other System campuses for review and feedback.

6. The NPP is adjusted, as necessary, and submitted by the Vice Chancellor for Academic and Student Affairs to the Chancellor for review and feedback. If there are no further concerns, the Vice Chancellor for Academic and Student Affairs will notify the campus that the proposal may be submitted to the Board portal for inclusion on the agenda and recommendation to the Board of Trustees for initial approval.

It is expected that proposed degree programs that are submitted as part of the pre-proposal process are already listed on the campus’s Three-Year Academic Program Planning Report that is submitted annually to the Board. If the proposed program is not currently listed, an explanation is to be provided in the appropriate area on the NPP form.

**B. Program Proposal**

1. The faculty develops a full program proposal, which must be inclusive of the completion of: (1) The ACHE “Proposal for a New Degree Program” form, which supports both undergraduate and graduate programs; (2) ACHE’s New Academic Degree Program Summary and Business Plan; and (3) The updated University of Alabama System “New Academic Program Proposal Supplement”.

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 could 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 and feedback.

7. If substantive proposal modifications are necessary after System-wide review, the System Office of Academic and Student Affairs will work with the Provost’s Office of the proposing campus to discuss steps for addressing the concerns and/or to determine if more time is needed before the proposal is placed on the Board’s agenda. The campus provost will determine if any recommended modifications of the proposal require additional review and approval by the proposing department, faculty, etc. All new program proposals that appear on the Board’s agenda for consideration must be approved by the proposing campus’s President and recommended to the Chancellor for review and submission to the Board of Trustees as part of the Academic Affairs and Student Affairs committee agenda.

8. During the meeting at which the proposal is to be formally considered, the campus provost will present the full proposal as an action item to the Academic Affairs and Student Affairs Committee and the Board for initial approval and authorization to submit it to ACHE for approval by the Commission. In addition to the required UAS and ACHE proposal information, each proposal should be accompanied by a resolution for individual action and a copy of a letter of approval and support for the proposed program from the campus Provost to the President and from the President to the System Chancellor. A copy of the completed Notification of Pending Proposal (NPP) form should also be included as a supplemental document, along with the letters of support and any other relevant materials endorsing the program.

9. Following the Board’s initial approval of the program, each campus submits the proposal to the ACHE web portal where it is subsequently locked by System personnel, signaling that it has been authorized for submission to ACHE by the Board. ACHE will notify the UA System Office of Academic & Student Affairs and/or the respective campus if there are questions or adjustments are needed.

10. Upon ACHE approval, the proposal is presented to the Academic Affairs and Student Affairs Committee and the Board of Trustees for its final review and approval. Following final Board approval, the campus then implements the program.

11. If ACHE fails to approve the proposal, the Board may then choose to have the campus revise the proposal and resubmit it to ACHE, approve the proposal, or discontinue consideration of the proposal.

III. The Guidelines for Establishing a New For-Credit Non-Degree Certificate Program
Certificate programs require Board action (and an appropriate resolution) if they are
30 or more undergraduate credit hours or 18 or more graduate credit 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 For-Credit Non-Degree Certificate 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, along with a completed ACHE
   “Non-Degree Certificate” form, are forwarded to the Chancellor and the Vice
   Chancellor for Academic and Student Affairs for review.

5. Depending on the number of credit hours and the level of the program as
   previously noted the Vice Chancellor for Academic and Student Affairs
   presents the For-Credit Non-Degree certificate program by “locking” the
   item in the ACHE Web portal. (Campuses should consult ACHE policy for
   additional information regarding certificate levels and expectations for
   Commission review of For-Credit Non-Degree Certificates.)

6. Following Board approval or presentation of the certificate program to the
   Board, the UAS Office of Academic and Student Affairs notifies ACHE of
   the Board’s approval of the For-Credit Non-Degree certificate program as an
   information item, of the Board’s approval or review of the certificate program
   by “locking” the item in the ACHE Web portal. (Campuses should consult
   ACHE policy for additional information regarding certificate levels and
   expectations for Commission review of For-Credit Non-Degree Certificates.)

Note: UAS Campuses should obtain all required forms through the University of Alabama
System Office of Academic and Student Affairs and the Alabama Commission on Higher
Education (ACHE) website, as appropriate.

(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; Amended February
2, 2024.)
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, institutes and off-campus sites, 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 external community.

3. The Board recognizes that the terms institute and center in particular are often used to identify locations within the UA System that do not primarily perform instruction, research, or external service functions (e.g. conference center, student health center, operations center). The creation of such units do not need to be approved by the Board. The
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**
   A proposed or pro forma budget of no less than five (5) years, 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. All financial documents must be reviewed by the campus Vice President of Finance, with a memo from that VP verifying the anticipated viability of the center/institute as part of the submission packet to the Board. The System CFO will also review the proposed Center/Institute budget prior to the request for approval by the Board.

3. **Organization**
   The proposed center or institute must identify a recommended director, demonstrating appropriate credentials and show the internal reporting relationship that is proposed for the entity. If external funding is part of the center/institute’s proposed budget, the campus should demonstrate that a structure exists to enable the center/institute 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 the operational status and leadership of
each center or institute. The verified list will be provided to the Board as information in conjunction with its February meeting.

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 community college or technical college.

C. Criteria

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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**
   A five-year budget showing source of funds, along with an indication that there are sufficient human, fiscal, and physical resources (classroom/office space, lab space, etc.) 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. If donor funds were used to establish the unit (such as a center or institute), a memo or other documentation from the campus Vice President for Advancement must be included in the supporting documents confirming that the donor/donor heirs have been contacted regarding the closure of the unit and identifying how any remaining donor funds will be used.

4. Any impact on students should be described and appropriately addressed.

C. The Chancellor shall recommend to The Board of Trustees the disposition of the proposed administrative action.

V. Guidelines for Establishing, Modifying, or Closing Off-Campus Sites and Branch Campuses

Off-campus instructional sites include locations that are geographically apart from a UAS campus’s main location and where instruction is delivered. Expectations related to establishing, modifying, or closing sites that provide face-to-face classroom instruction in any location that is away from the approved and recognized main campus of the institution are similar to those outlined for academic, research, service, and administrative units. Service areas for establishing off-campus sites are outlined by the Alabama Commission on Higher Education (ACHE), as well as general guidelines for the regulation and reporting requirements of such sites. Campuses are also expected to comply with accreditation-related requirements for establishing, modifying, closing, and reporting on off-campus instructional sites.

(Adopted June 17, 1987 as Board Rule 517; amended and renumbered December 5, 1997; amended May 7, 1999; November 19, 1999; amended November 3, 2023)
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.)
505. **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 or alterations of existing programs such as new areas of specialization (ex: concentrations, options, tracks, etc.); CIP code or program title changes; changes in degree nomenclature; and deletions of programs from the inventory. Generally, such changes are non-substantive and are submitted to the Board as information items.

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. Inactive Status indicates that the campus is not currently admitting students. However, students in the program pipeline at the time it is designated as inactive can complete the program. 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;

   d) date inactive status will go into effect; and

   e) a completed Alabama Commission on Higher Education (ACHE) Form C: Academic Program Inventory Inactive Status.

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 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 terminated and removed from the academic program inventory.

III. Guidelines for Reactivating an Academic Program

A. Academic programs, including degrees and certificates, that have been placed on “inactive status” by an institution of The University of Alabama System may be reinstated to “active status” within five years of being placed on inactive status without resubmitting a program proposal for approval. However, the Chancellor must be informed by the campus of plans to reinstate the program. Evidence of adequate human and fiscal resources and student demand to reactivate the program should be provided. 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—this should include information about available resources and student demand for 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 of the planned reactivation of the program will then be provided to the Alabama Commission on Higher Education by the System’s Office of Academic and Student Affairs.

D. Campuses should make every effort to inform the Chancellor of plans to reactivate a program no later than six months before the five-year inactive period expires to ensure the timely notification of the Board of Trustees and the Alabama Commission on Higher Education. Inactive programs that are not presented for reactivation within five years, will be automatically terminated, removed from the Academic Program Inventory, and must follow the process for establishing a new degree or certificate program.

IV. Guidelines for Terminating an Academic Program

A. Institutions within the University of Alabama System are expected to ensure that academic programs are regularly evaluated, meet post-implementation conditions, remain viable, and are relevant to the academic and employment needs of students and society. The following steps must be followed when it is determined that it is in the best interest of the institution and/or students to terminate an academic program:

B. The Chancellor should be notified in writing regarding the intended program termination. The rationale for the termination and how the University will address the needs of any remaining students in the program should be outlined and plans for any faculty, financial resources, or facilities connected with the program should be addressed. Details confirming that faculty and administrative review processes to consider termination of the program were followed should also be provided.

C. 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.

D. Notice to the Alabama Commission on Higher Education will be confirmed by the System’s Office of Academic and Student Affairs.

V. Guidelines for Additions of Options, Tracks, Specializations, or Concentrations to Existing Programs

A. Institutions within the University of Alabama System are expected to submit to the Chancellor, with a copy to the Vice Chancellor for Academic and Student Affairs, plans regarding additions of options, tracks, specializations,
or other concentrations to existing programs. The following steps should be followed:

B. The faculty completes ACHE Form C: Proposal Form for the Addition of an Option, Track, Specialization, or Concentration, etc., to an Existing Program and the campus submits it to the Chancellor, with a copy to the System Vice Chancellor for Academic Affairs, for review.

C. After System Office review, the institution’s plan to add options, tracks, specializations, or concentrations to existing programs will be presented to the Board of Trustees as an information item.

D. Upon review of the item by the Board, the System Office of Academic and Student Affairs will notify the Alabama Commission on Higher Education of the addition by “locking” the submitted item in ACHE’s web portal.

VI. Guidelines for Alteration of CIP Code, Program Title, and Degree Nomenclature or Other Curriculum Changes

A. Institutions within the University of Alabama System are expected to submit to the Chancellor, with a copy to the Vice Chancellor for Academic and Student Affairs, plans regarding alteration of CIP code, program title, and degree nomenclature or other curriculum changes for existing academic programs. The following steps should be followed.

B. The faculty completes ACHE Form A Information Item for the Alteration of CIP Code, Program Title, and Degree Nomenclature or ACHE Form B Description of Curriculum Changes and the campus submits the information to the Chancellor, with a copy to the System Vice Chancellor for Academic Affairs, for review.

C. After System Office review, the institution’s plan for the specified alteration will be presented to the Board of Trustees as an information item.

D. Upon review of the item by the Board, the System Office of Academic and Student Affairs will notify the Alabama Commission on Higher Education of the change by “locking” the submitted item in ACHE’s web portal.

(Adopted December 5, 1997, Revised May 7, 1999; November 14, 2008; February 2, 2024.)
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. Any campus adjustments made to the three-year academic plan after the annual review by the Board should be submitted as soon as possible in writing to the Chancellor and the System Office of Academic and Student Affairs to coincide with the next scheduled Academic Affairs and Student Affairs Committee agenda as an information item.

C. Guidelines for the submission and review of the Academic Program Planning document are developed and administered by the System’s Office of Academic and Student 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 of Academic and Student Affairs 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 academic degree programs and certificate programs requiring Board approval that are being planned

   a) Year submitted or anticipated submission for Board approval  
   b) Six-digit CIP Code  
   c) Degree (ex: Bachelor of Arts, Master of Science, Ph.D., etc.)  
   d) Program Title  
   e) Program Description  
   f) Role Change? (i.e. Is the program outside of the usual role and scope of the institution?)  
   g) UAS Category* (See category options A-G below)  
   h) Implementation date (proposed or implemented)
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 = A Notice of Pending Proposal (NPP) form has been developed and sent to the UAS Office of Academic and Student Affairs.
G = 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: Plans for degree nomenclature changes (i.e. Ed.D. to Ph.D., etc.) shall require a proposal and resolution requesting Board action, but such changes are not equivalent to the 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; June 7, 2024.)
508. 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 an endowed 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 and Student Affairs 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, divisions, or departments, as necessary to conform to the practices and customs of particular academic disciplines and/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 or other appointee 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 and recommendations followed in the search process, a list of search committee members, a copy of the nominee's curriculum vitae, and written evaluations by internal and external 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 Student Affairs Committee of the Board will be provided with a copy of the candidate's curriculum vitae and a supporting letter(s) 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 and Student Affairs 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. Recommended endowed appointments associated with an offer of employment should note that the appointment is pending approval by the Board of Trustees. Existing faculty and administrators who are appointed to endowed chairs, professorships, etc., should not adopt or utilize the related title until Board approval has been confirmed.
K. Given the prestige and selectivity of endowed positions, it is expected that campuses will engage in a routine process of assessment to ensure that all appointees continue to meet all expectations associated with the appointment. If an appointment to an endowed position comes with a specified term (i.e. specific number of months, years, or identified expiration date) and the appointment is to be extended, the campus should inform the Chancellor and System Office of Academic and Student Affairs of plans for the continuation of that appointment in the form of an appropriate letter from the President to the Chancellor, recommending the continuation of the endowed appointment(s) prior to expiration. The extension of multiple appointments may be outlined in a single letter of notification and submitted to the Board for administrative action.

IV. Guidelines for Short-Term Appointments to Endowed Chairs

A. Definition

Endowed 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; an overview of the credentials of the appointee, 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 as an information item 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”:

   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; June 7, 2024.)
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 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.
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.

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.

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.

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.

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. Establishing 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.)