

Title 4 - Codification of Board Policy Statements

Chapter 10

GENERAL BUSINESS MANAGEMENT

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Section 1. Purchasing Policy

1. Chapter 333 of *Nevada Revised Statutes*, exempts the Nevada System of Higher Education from the general provisions of the State Purchasing Act and provides that the NSHE may use the State Purchasing Division on a voluntary basis for any purpose. (B/R 12/02)

All contracts shall be executed and administered in accordance with the policies and procedures set forth by the Chancellor. (B/R 12/02)

2. All purchases of supplies, equipment, services, and construction, except items related to capital construction, shall be handled administratively by the respective Business Center Purchasing Department after following established purchasing policies and procedures approved by the Board of Regents and in compliance with State and Federal procurement regulations, the respective Business Center Administrative Manual, and procedures established by the Chancellor. Once established, construction and service contracts may be assigned to the Physical Plant Department. Except as may be otherwise provided in this policy, the purchase contract shall be awarded to the lowest responsive and responsible bidder. The lowest responsive and responsible bidder will be judged on the basis of price, quality, availability, conformance to specifications, financial capability, service, and in the best interests of the NSHE, each of such factors being considered. Exceptions to this policy must be presented to the Board of Regents for approval.
(B/R 12/02)

- a. Equipment that is installed by a contractor as part of new construction or a building remodeling project is considered to be construction if such equipment is fixed or attached to the structure or is a permanent part of a building system.

3. In awarding contracts for the purchase of supplies, materials, equipment, services and construction whenever two or more lowest bids are identical, the Business Center Purchasing Department shall:

- a. If such lowest bids are by bidders resident in Nevada, accept the proposal, which, is in the best interests of the Nevada System of Higher Education.
- b. If such lowest bids are by bidders resident outside Nevada, with the exception of capital construction projects:

- (1) Accept the proposal of the bidder who will furnish goods or commodities produced or manufactured in this State; or

- (2) Accept the proposal of the bidder who will furnish goods or commodities supplied by a dealer resident in Nevada.

(B/R 6/91)

4. Vendors List. The Business Center Purchasing Department shall maintain lists of persons and firms who wish to bid on Business Center purchases. The lists shall be classified by type of item or commodity supplied. Invitations to bid shall be sent to pertinent vendors on the active list and to such others as may be determined necessary to stimulate competition. Those bidders who no longer have shown an interest in receiving bid/proposal documents may be removed from the active bid list without further action. (B/R 6/91)

5. The Chancellor shall establish basic purchasing procedures. (B/R 12/04)
6. Scientific Equipment. Faculty may designate the specific manufacturer of scientific equipment; however, the Purchasing Department shall have the responsibility of procuring competition of vendors whenever possible.
7. Conflicts of Interest Prohibited.
 - a. In addition to such conflicts of interest prohibited by law, it shall also be prohibited for a member of the Board of Regents or an employee of the Nevada System of Higher Education:
 - (1) to become a contractor or a vendor for the purchase of supplies, equipment, services and construction under any contract or purchase order of any kind authorized by the Nevada System of Higher Education under the provisions of this chapter, or
 - (2) to be interested, directly or indirectly, through any member of a Regent's or employee's household, as defined by *Nevada Revised Statutes* 281.434, or through any business entity in which the Regent or employee has a financial interest, in any kind of contract or purchase order so authorized by the receipt of any commission, profit or compensation of any kind.
 - b. Except where may be prohibited by law, exceptions to this policy may be permitted:
 - (1) for contracts or purchase orders for which the proposed contractor or vendor is the sole source for the contract or purchase order and has not participated in or otherwise actively influenced the consideration or acceptance of offers for the contract or purchase order, or
 - (2) when, in the judgment of a President of a member institution, the public interest would best be served by making such an exception.

(B/R 6/91)

8. Cash Management Services. Cash Management Services for the Nevada System of Higher Education will be awarded for a period of five years, with a two-year option to extend, and with an option to cancel for nonperformance. The selection process shall involve issuance of a technical Request for Proposal (*RFP*) developed by the Director of Banking and Investments, with input from institutional representatives. The RFP shall comply with the Board of Regents and State of Nevada procurement regulations. (B/R 4/05)

The Director of Banking and Investments shall develop the evaluation criteria and rank the proposals to the RFP. Upon completion of the evaluation process, with input from institutional representatives, the Director of Banking and Investments will submit a recommendation based on his/her evaluation to the Board of Regents prior to requesting the Board's approval of a contract with a specific bank to provide the requested services.

(B/R 4/05)

9. Acquisition or Sale of Real Property.

- a. Approval to Negotiate the Acquisition or Sale of Real Property. Before the President of a NSHE institution can commence negotiations for the purchase or sale of real property on behalf of the Board of Regents, the Chancellor's approval must first be obtained. The Board's approval of a campus master plan is deemed to constitute prior approval of the acquisition of property according to the terms of the master plan.

Before the Chancellor can commence negotiations for the purchase or sale of real property on behalf of the Board of Regents, Board approval must first be obtained.

All real property acquired or sold by the Board of Regents of NSHE or any unit or subdivision thereof shall be acquired in the name of the Board of Regents of the NSHE.

The granting of an easement is considered a 'sale' of an interest in real property except that the granting of a subsurface utility easement shall not be considered a "sale" subject to approval by the Board of Regents and may be approved by the Chancellor if: (i) there is first a determination by the Chancellor that the easement being granted is not inconsistent with the intent of an applicable campus master plan; (ii) form of the grant of easement has been reviewed and approved by the NSHE Office of the Chief Counsel; (iii) the Chancellor finds that the grant of the easement is either in the best interest of the System or the grantee is paying consideration not less than the fair market value of the easement; and (iv) notice of intent to grant the easement is given to the members of the Investment and Facilities Committee of the Board of Regents at least 30 days prior to the granting of the easement. (B/R 9/09)

- b. Appraisal. A current appraisal by a licensed real estate appraiser concerning the fair and reasonable market value of property proposed for acquisition or sale shall be submitted to the Board with the request for approval of the transaction. The Board in its discretion may waive the requirement for an appraisal. The chief business officer of the institution acquiring or selling the real property, or his designee, shall coordinate the review process for the property appraisal. As used herein, a "current appraisal" is defined as an appraisal having an effective date of no more than twelve (12) months prior to the date of such appraisal's consideration by the Board of Regents.
- c. The purchase or sale must be an arm's length transaction and any transaction with a buyer or seller related to the NSHE must be revealed to the Board of Regents.
- d. After the requisite approval has been obtained pursuant to subparagraph a above, the President or Chancellor, as the case may be, shall be authorized to negotiate the real property transaction, including purchase or sale price, subject to the subsequent approval of the terms of the transactions by the Board. Any contract, memorandum of understanding, letter of intent or similar document shall contain the following:

"This [purchase] [sale] offer is contingent upon the approval of the terms of the [purchase] [sale] by the Board of Regents of the NSHE. If the Board of Regents, in its sole and absolute discretion, does not approve the terms of the [purchase] [sale], the [purchase] [sale] offer made herein shall be deemed null and void without the necessity of further documentation and shall be deemed to be of no binding effect whatsoever."

- e. Approval of Instruments. The NSHE Office of the Chief Counsel shall approve all contracts, deeds, and other instruments for the acquisition or sale of real property as to form and legality prior to execution of the same on behalf of the Board of Regents.
- f. Real Estate Brokers and Agents. In the event the Chancellor of NSHE or the Board of Regents grants approval to negotiate for the acquisition or sale of real property, the Chancellor may, in the reasonable exercise of his discretion, authorize the retention of a licensed real estate broker to assist in the consummation of the acquisition or sale, as the case may be, upon such terms and conditions as the Chancellor deems appropriate. Such authorization may also include the payment of a reasonable and customary real estate commission. The retention of a real estate broker shall be disclosed to the Board of Regents at the time of approval of the transaction.
- g. Temporary Right of Entry. A temporary right of entry onto property owned by the Board of Regents of the NSHE, does not require the approval of the Board of Regents, if: the party requesting such entry guarantees that the property will be returned to the condition it was in at time of entry and agrees to indemnify the Board of Regents, its officers and employees for any and all damages arising from the temporary right of entry; and if the temporary right of entry does not exceed twenty-four months.
- h. Leases.
 - (i) Definition. As used herein, a lease shall be deemed "long term" if it provides for a demising period greater than four (4) years; or, alternatively, if it provides for a total consideration greater than Four Hundred Thousand Dollars (\$400,000). The term of any renewal period, if specifically set forth in any lease, shall be added to the initial fixed term of the lease to determine if such lease is a long-term lease. The foregoing definition shall apply to all leases, whether NSHE is the landlord or the tenant.
 - (ii) Long-term leases over real property must be approved by the Board of Regents and shall be executed by the Chancellor or his designee.
 - (iii) The provisions of Subparagraph (ii) of this Paragraph (h) notwithstanding, if the term of any lease is other than long term, the approval of the Board of Regents shall not be required and the Chancellor, or his designee, shall be authorized to execute such lease in the name of the Board of Regents of NSHE. The provision of this Subparagraph (iii) shall apply to all leases, whether NSHE is landlord or tenant.
 - (iv) The exercise of any option: to (i) renew or right to extend the term of a lease or (ii) to purchase property for a specified price, when such option and price are contained in a lease previously approved by the Board of Regents pursuant to Subparagraph (ii) of this Paragraph (i) above shall not require the further approval of the Board of Regents. The document exercising any such option or right shall be executed by the Chancellor or his designee in the name of the Board of Regents.
 - (v) An amendment to any lease previously approved pursuant to Subparagraph (ii) or (iii) of this Paragraph (h) shall be subject to the same approval process required for the execution of the original lease.

(B/R 9/05)

Section 2. Payment of Commissions to Third Parties

The Board of Regents is the only entity within the Nevada System of Higher Education that can retain the services or approve payment to third parties where the NSHE is involved in real estate purchase, trade or lease. No one else can obligate the Board of Regents in such matters except by prior authorization by the Board of Regents. An independent appraisal shall be obtained when an institution liquidates real property. (B/R 5/91)

Section 3. Loan Policy.

Except as otherwise authorized by law, NSHE policy, or as approved by the Board of Regents, the donation, loan, or advancement of institution funds or its credit is prohibited. (B/R 12/02)

Section 4. Statement of Investment Objectives and Policies for the Endowment Fund

1. Introduction

- a. This statement of investment objectives and policies (*the "Guidelines"*) governs the investment management of the endowment fund (the "Fund") of the Nevada System of Higher Education (*the "System"*). These Guidelines relate to the Fund as a whole. Because the endowment is perpetual, the investment objectives and policies are based on an investment horizon greater than ten years. (B/R 4/05)
- b. The Regents are responsible for establishing the investment policies for the Fund. Accordingly, the Regents have promulgated these Guidelines pursuant to which they have established permitted asset classes, ranges, and spending policy. The Regents will review and revise these Guidelines from time to time as appropriate.
- c. The Regents have delegated to the Investment and Facilities Committee (*the "Committee"*) the management of the Fund within the parameters of these Guidelines. The Chancellor, the Vice Chancellor for Finance, and the Director of Banking and Investments shall serve as ex officio nonvoting members of the Committee. The Board Chair shall appoint a Chair of the Committee and may appoint one or more individuals with investment knowledge or expertise to serve as nonvoting members of the Committee. The Investment and Facilities Committee shall meet at least quarterly. Minutes of each meeting of the Investment and Facilities Committee shall be provided to the Regents for acceptance at their next meeting. (B/R 9/09)
- d. The Committee shall select external investment managers to manage the assets of the Fund. Subject to the manager-specific guidelines referenced in subsection 7.b and the usual standards of fiduciary prudence and responsibility, the managers will then have complete discretion over the investment of the funds in their respective accounts, including the discretion to vote proxies, the use of soft dollars and how to execute trades. Fees will be set at the time of hiring managers. The Committee may invest in indexed funds if deemed appropriate. (B/R 4/05)

- e. The Committee shall have discretion to allocate funds among managers, subject to the permitted ranges set forth herein, and to hire and terminate managers for any reason at any time.
- f. The Committee shall choose an independent investment consultant to provide services it deems to be necessary or helpful, including without limitation advice with respect to asset allocation and manager evaluation.
- g. No member of the Board of Regents and no voting or nonvoting member of the Committee shall accept or approve the acceptance by staff or any other person of any gift, travel expense, or other perquisite proffered by an investment manager, the value of which exceeds \$25, without the advance approval of the Committee. (Regents and employees of the System are also subject to the Code of Ethical Standards of the State of Nevada promulgated to govern the conduct of public officers and employees, and Regents are also subject to certain additional conflict of interest provisions.)

(B/R 10/98)

2. Financial and Investment Objectives

- a. The long-term financial objective of the Fund is to provide a relatively stable stream of spendable revenue that increases over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index. *(In order to achieve this objective over the long term, the unit value of the Fund must also increase at least as fast as the rate of inflation.)*
- b. The long-term investment objective of the Fund is to attain an inflation-adjusted total return, net of fees, at least equal to the contemplated spending rate of 4.5%. *(For example, if average annual inflation were 3.0%, a total nominal return of 7.5% net of fees would have to be earned. In order to achieve this objective over extended periods, endowments have had to exceed the objective substantially during some periods, such as the 1980s, in order to compensate for shortfalls during other periods, such as the 1970s.)* (B/R 6/01)

3. Endowment Distribution Policy

- a. Distributions from the Fund in each fiscal year will be 4.5% of the average market value for the 20 quarters ending the December 31 immediately preceding such fiscal year. *(For example, distributions for fiscal year 1996-97 will be based on the Fund's average ending quarterly market values for the twenty consecutive quarters ended December 31, 1995.)*
- b. No withdrawals from the Endowment Fund other than to fund the spending amount, the estate tax liability, and capital calls are permitted without the prior approval of the Regents. When there are withdrawals, the Director of Banking & Investments will determine where the withdrawal will come from. This withdrawal will be used to rebalance the portfolio to be more in-line with the strategic allocation. This withdrawal will be approved by the Assistant Vice Chancellor for Budget, Finance and Banking and Investments, the Vice Chancellor for Finance and Administration, or the Chancellor.
- c. The spending policy shall be administered by the Banking and Investment Office in accordance with the Uniform Prudent Management of Institutional Funds Act, adopted by the Regents in accordance with the authority granted to them by *Nevada Revised Statutes (NRS) 396.380 and NRS 396.420* to control and invest the System's funds. (B/R 10/07)

- d. A .125% management fee will be imposed on the endowment pool for Board and System Administration expenses beginning July 1, 2001. (B/R 6/01)
- e. Subject to Board of Regents approval of an institutional request, an annual fee of 1.5% of the institution's portion of the NSHE endowment pool, calculated and distributed in the same manner as the dividend, will be transmitted to that institution in consideration of additional foundation management, stewardship and development activities. Any transfer of such funds directly to the foundation for such activities is subject to the institution having an operating agreement in place between the institution and the foundation providing for adequate accounting and oversight of such funds consistent with Board of Regents requirements specified in Title 4, Chapter 10, Section 9. After the management fee has been approved by the Board of Regents, the management fee may only be suspended or revoked by the Board of Regents: 1) due to a material breach of the operating agreement, 2) the declaration of a financial exigency by the Board of Regents, or 3) without cause and effective June 30 upon written notice to the institution no later than March 1 of the preceding year.

(B/R 4/08)

4. Asset Allocation; Evaluating Performance of the Fund

- a. For purposes of investment policy, the Fund will be comprised of two components: an "equity portfolio" and a "fixed income portfolio."
- b. The strategic allocation and permitted ranges for the equity portfolio and the fixed income portfolio will be as follows:

	Strategic Allocation	Permitted Ranges
Equity portfolio	77%	70-85%
Fixed income portfolio (B/R 12/01)	23%	15-30%

For purposes of this paragraph, the permitted ranges shall refer to the allocations to equity and fixed income managers, respectively, and, with respect to assets managed by balanced manager's allocations to equities and fixed income, respectively. Thus the permitted ranges shall not be deemed to be violated by virtue of a manager's discretionary use of investment reserves, cash, or bonds as described in subsection 5.f.

- c. The purposes of the equity portfolio are to provide long-term capital appreciation and a growing stream of income. *(It is recognized that the "equity portfolio" will have greater return variability than the "fixed income portfolio.")*
 - i. The purpose of the allocation to domestic common stock is to provide returns above the long term objective.
 - ii. The purpose of the allocation to international common stock is to provide returns above the long term objective and to diversify.

- iii. The purpose of the allocation to alternative strategies is to invest in assets with returns that are not correlated to the domestic or international equity market, to reduce market risk, and to diversify.
- iv. The purpose of the allocation to inflation hedging assets is to invest in assets with returns that are not correlated to the other asset classes, to reduce market risk, to diversify and to serve as a hedge against inflation.

(B/R 4/05)

- d. The purposes of the fixed income portfolio are to provide a hedge against extended deflation, to provide higher current income than equities, and to help diversify the Fund.
- e. Three measurements of risks will be used to determine if the long term financial objectives of the Fund are met with an acceptable level of risk. The overall return of the Fund, net of fees, should equal or exceed each of the following: (B/R 4/05)

- (1) The Fund's spending rate plus the increase in the Consumer Price Index measured over rolling periods of ten years or longer.
- (2) An appropriate blend of capital market benchmarks constructed by the Committee with reference to the strategic allocation measured over rolling periods of five years or longer.
- (3) The median return of a pool of endowments with similar investment objectives and policies measured over rolling periods of ten years or longer.

(B/R 10/98)

- f. The Committee recognizes that certain no-US securities are not within the jurisdiction of the US courts and may result in the loss of investment monies with no avenue for redress. (B/R 4/05)

5. Guidelines for the Equity Portfolio

- a. To meet the return objective with an acceptable level of risk, the "equity portfolio" will be diversified across different types of assets with expected returns, which are not perfectly correlated (*i.e., the returns of which do not always move in tandem*). The strategic allocation and permitted ranges for the equity asset classes will be as follows:

<u>Asset Class</u>	<u>Strategic Allocation</u>	<u>Permitted Ranges</u>
Domestic common stock	35%	20 - 50%
International common stock	13%	5 - 25%
Alternative Strategies	19%	0 - 30%
Real estate and other inflation hedging assets	10%	0 - 15%
Equity fund <i>(total)</i>	77%	
Permitted range of equity fund		70 - 85%

(B/R 4/05)

For purposes of this paragraph, the permitted ranges shall refer to the allocations to managers investing in a particular asset class and, with respect to assets managed by each balanced manager, the benchmark strategic allocation, if any, to that asset class. Thus the permitted ranges shall not be deemed to be violated by virtue of a manager's discretionary use of investment reserves, cash, or bonds as described in subsection 5.f.

- b. The Committee shall periodically review asset allocation guidelines for the equity portfolio, including the strategic allocation to various types of equities and permitted ranges for each type of equity, and may in its sole discretion adjust the strategic allocation within the permitted ranges.
- c. Common stocks will be managed by managers with distinct and complementary investment styles resulting in domestic and international marketable securities equity portfolios, respectively that are diversified by economic sector, industry, and market capitalization.
- d. The performance objective of the domestic and international marketable security portions of the equity portfolio *(excluding real estate and other illiquid investments)* is to achieve returns, net of manager fees, that are (1) superior to those of the appropriate market benchmarks selected by the Committee and (2) on par with or in excess of the median of an appropriate universe of institutional-quality investment managers.
- e. Alternative strategies will include asset classes that would be expected to increase the diversification of the total portfolio while also helping to improve the risk/return characteristics of the Fund. These asset classes may include: absolute return strategies, venture capital and/or private equity. (B/R 10/00)
- f. Performance against objectives is to be measured quarterly and evaluated over rolling periods of five years or longer. *(It is recognized that the objectives may be difficult to attain in every period but should be attainable over most market cycles.)*
- g. Equity portfolio managers will normally invest in common stocks. However, managers may at their discretion hold investment reserves of either cash equivalents or bonds *(including convertible issues)* without limitation, with the understanding that their performances *(including any cash or bonds)* will be measured against the common stock benchmarks established for each account by the Committee.
- h. Managers may not sell securities short, buy securities on margin, borrow money, pledge of loan assets, or buy or sell options or commodities without the advance written approval of the Committee.

(B/R 10/98)

6. Guidelines for the Fixed Income Portfolio

- a. The guidelines for the fixed income portfolio are intended to promote the goals set forth in subsection 4.d. To provide a hedge against extended deflation, the fixed income portfolio should ordinarily maintain a high credit quality *(i.e., normally a weighted average credit rating of AA or better and never below A)* and an intermediate to long-term duration *(i.e., normally at least 3.0 years and always at least 2.0 years)*. Money market instruments as well as bonds may be used in the fixed income portfolio, but equities are excluded. In general, the fixed income portfolio shall be well diversified with respect to economic sector, financial

sector, and issuer in order to minimize risk exposure. A maximum of 5% of the fixed income portfolio may be invested in the securities of any single issuer, provided that issues of the U.S. Government or agencies of the U.S. Government may be held without limitation and provided further that issues of agencies of the U.S. Government shall be limited to the extent set forth in the manager-specific guidelines referenced in subsection 7.b. A maximum of 35% of the fixed income portfolio may be invested in non-dollar denominated fixed income securities.

- b. The primary long-term investment objective of the fixed income portfolio is to outperform the Lehman Brothers Aggregate Bond Index, net of manager fees, and the median return of an appropriate peer group of managers over rolling five-year periods. The Committee may also establish as a secondary long-term investment objective outperforming a benchmark that is a blend of the appropriate indices to reflect the allocation to non-dollar bonds.

(B/R 10/98)

7. Monitoring of Objectives and Results; Use of Derivatives (B/R 8/04)

- a. The Committee will review these investment objectives and policies at least once every two years for their continued appropriateness.
- b. The Committee will review the strategic allocations at least annually. At this time, a modeling of investment returns will be performed to determine what expected returns the current strategy should produce. (B/R 4/05)
- c. At least annually, the Committee will determine if any rebalancing of actual allocations should be made. (B/R 4/05)
- d. The Committee shall provide each manager of a separately managed account with a set of mutually agreed-upon guidelines. Such guidelines shall provide that, if at any time the manager believes that any guideline contained therein adversely affects, or has the potential to adversely affect, its investment performance or would prevent the manager from handling the System's portfolio in a manner similar to the firm's other discretionary accounts, it is the responsibility of the manager to communicate this view to staff in a timely fashion. Additionally, such guidelines shall require the managers to inform the System's staff promptly of any change in firm ownership of fundamental investment philosophy, any significant change in organizational structure or professional personnel, and any change in portfolio manager(s) for the System's accounts. The Committee acknowledges that managers of commingled funds are unable to respond to specific guidelines. The Committee will maintain and review periodically descriptions of the investment policies and practices of managers of commingled funds to ensure that the Committee understands such policies and practices and has determined that they are within the spirit of these Guidelines. The matters reviewed will include without limitation the managers' policies and practices with respect to risk control generally and derivatives, non-dollar denominated securities, and securities lending. (B/R 8/04)
- e. The Committee shall have prepared and shall review on a quarterly basis an investment performance report setting forth the asset allocation of the total Fund and the investment returns for individual manager accounts and for the Fund. The returns shall be calculated on a time-weighted basis net of manager fees for the most recent quarter for which data are available and any other short-term periods that the Committee may select, including fiscal-year returns when such data are available. The Committee shall

select an appropriate benchmark for each manager. The Committee will use the short-term performance data to monitor the fund and the managers for consistency of investment philosophy, returns relative to objectives and investment risk. Risk will be evaluated as a function of asset concentration, exposure to extreme economic conditions and performance volatility. At least one performance report each year shall include data for such longer periods of time as are specified herein. Regular communication with the managers concerning investment strategy and outlook is expected. Any decision to terminate a manager will normally be based on long-term (i.e., over a full market cycle) investment performance as well as other relevant factors. (B/R 4/05)

- f. The Committee will periodically review the related services provided to the System, including securities custody, performance evaluation, and consulting. Fees for these services will be explicitly stated in the contract. (B/R 4/05)
- g. The Committee will establish and review from time to time a policy for the investment of unallocated cash held for investment in the Fund. (B/R 10/98)
- h. Derivatives may be used by the Fund's managers to hedge existing portfolio investments (*e.g., to hedge the currency risk of a foreign stock or bond position*) or to create unleveraged investment positions as a more efficient and cheaper alternative to investments that would otherwise be made in the cash market. Derivatives may not be used by marketable securities managers to leverage a portfolio or increase its risk above that of an account with similar objectives that is managed without derivatives. Use of derivatives by a manager other than as described in this paragraph is permitted only if such use is authorized by the Committee. The manager-specific guidelines referenced in subsection 7.b shall include negative covenants with respect to use of derivatives and shall require the managers to give written notice to the System's staff immediately upon discovering that any of the guidelines have been violated. The Committee shall periodically review the derivative policy of each manager of a commingled vehicle to ensure that such policy is within these Guidelines or that it has made an exception in appropriate cases.
- i. No agreement to engage in securities lending or directed brokerage program shall be entered into without the prior approval of the Committee. (B/R 1/96)

Section 5. Statement of Investment Objectives and Policies for the Operating Funds

A. Introduction

1. This statement of investment objectives and policies (*the "Guidelines"*) governs the investment management of the Operating Funds (*collectively the "Fund"*) of the Nevada System of Higher Education (*the "System"*). These Guidelines relate to the Fund as a whole. Because the Fund is perpetual, the investment objectives and policies are based on an investment horizon greater than ten years. (B/R 4/05)
2. The Regents are responsible for establishing the investment policies for the Fund. Accordingly, the Regents have promulgated these Guidelines pursuant to which they have established the permitted investment parameters and distribution policy. The Regents will review and revise these Guidelines from time to time as appropriate.

3. The Regents have delegated to the Investment and Facilities Committee (*the "Committee"*) the management of the Fund within the parameters of these Guidelines. The Committee will be comprised of four Regents appointed by the Chair of the Board of Regents. The Chancellor, the Vice Chancellor for Finance, and the Director of Banking and Investments will serve as ex officio nonvoting members of the Committee. The Chair of the Board of Regents will appoint a Chair of the Committee and may appoint one or more individuals with investment knowledge or expertise to serve as nonvoting members of the Committee. The Committee will meet at least quarterly. Minutes of each meeting of the Committee will be provided to the Regents for acceptance at their next meeting. (B/R 9/09)
4. The Committee will choose an independent investment consultant to provide services it deems to be necessary or helpful, including without limitation, advice with respect to manager selection, termination, and evaluation.
5. No member of the Board of Regents and no voting or nonvoting member of the Committee will accept or approve the acceptance by staff or any other person of any gift, travel expense, or other perquisite proffered by an investment manager, the value of which exceeds \$25, without the advance approval of the Committee. (*Regents and employees of the System are also subject to the code of ethical standards of the State of Nevada promulgated to govern the conduct of public officers and employees, and Regents are also subject to certain additional conflict of interest provisions.*)

B. Financial and Investment Objectives of Discrete Pools: Investment Policy

1. The long term objective of the Fund is to provide a relatively stable stream of revenue that equals or exceeds the general rate of inflation. The measurement of risk that will be used to determine if the long term objective of the Fund is met with an acceptable level of risk is that the overall return of the Fund, net of fees, should equal or exceed the CPI over rolling periods of ten years. (B/R 4/05)
2. For purposes of investment policy, the Fund will be considered as three discrete pools of funds: a "Short-Term Pool," an "Intermediate-Term Pool," and a "Long-Term Pool."
3. The Short-Term Pool shall be funded in an amount sufficient to meet the expected daily cash requirements of the System. All cash receipts will be deposited into, and all disbursements will be paid from, this pool. The Short-Term Pool will be invested in fixed income securities generally having an average maturity of one year or less and thus are highly liquid with little risk of principal loss.
4. The Intermediate-Term Pool is intended to provide a liquid source of funds in the unlikely event the Short-Term Pool is insufficient to meet the System's cash needs. Since the Short-Term Pool is funded at an amount sufficient to meet expected cash requirements, the Intermediate-Term Pool will be invested in fixed income securities generally having an average maturity of three years or less in order to take advantage of the higher yields typically paid for longer maturities while still maintaining low risk of principal loss and to diversify the portfolio. (B/R 4/05)
5. The Long-Term Pool includes all available funds not needed to fund the Short-Term or Intermediate-Term Pool. Because the allocation strategy results in a very low likelihood that this pool will be needed to meet cash requirements, the Long-Term Pool will be invested in fixed income securities that lower the volatility and/or enhance the investment performance of the portfolio taken as a whole, decrease market risk and to

diversify. These investments may include fixed income, Treasury Inflation Protection Securities (*TIPS*), US and international common stocks, and absolute return strategies. The Committee recognizes that certain no-US securities are not within the jurisdiction of the US courts and may result in the loss of investment monies with no avenue for redress. (B/R 4/05)

6. The Committee will determine at least annually the appropriate size of each pool within the parameters of these Guidelines.
7. The weighted-average credit quality rating of the Fund's investments will generally be at least AA or the equivalent and will never be below A as rated by one or more national credit rating agencies such as Standard & Poor's Corporation or Moody's Investors Service.

C. Manager Selection, Termination, and Guidelines

1. The Committee shall select external investment managers to manage the assets of the Fund. Subject to these Guidelines, the Committee will have discretion to hire and terminate managers for any reason at any time and to allocate funds among managers. The funds may be managed in a commingled fund or in a separately managed account at the discretion of the Committee. Subject to the manager-specific guidelines referenced in subsection 7.b and the usual standards of fiduciary prudence and responsibility, the managers will then have complete discretion over the investment of the funds in their respective accounts, including the discretion to vote proxies, the use of soft dollars and how to execute trades. Fees will be set at the time of hiring managers. The Committee may invest in indexed funds if deemed appropriate. (B/R 4/05)
2. Subject to the manager-specific guidelines and the usual standards of fiduciary prudence and responsibility, the managers will then have complete discretion over the investment of the funds in their respective accounts, including the discretion to vote proxies.
3. In hiring and evaluating managers, the Committee will consider the diversification, credit quality, and duration of the portfolio and other appropriate factors.
4. The Committee will provide each manager of a separately managed account with a set of mutually agreed-upon guidelines. Such guidelines will provide that, if at any time the manager believes that any policy guideline contained therein adversely affects, or has the potential to adversely affect, its investment performance or would prevent the manager from handling the System's portfolio in a manner similar to the firm's other discretionary accounts with a similar investment objective, it is the responsibility of the manager to communicate this view to the System's staff in a timely fashion. Additionally, such guidelines will require the managers to inform the System's staff promptly of any change in firm ownership or fundamental investment philosophy, any significant change in organizational structure or professional personnel, and any change in portfolio manager(s) for the System's account. The Committee acknowledges that managers of commingled funds are unable to respond to specific guidelines. The Committee will maintain and review periodically descriptions of the investment policies and practices of managers of commingled funds to ensure that the Committee understands such policies and practices and has determined that they are within the spirit of these Guidelines. The matters reviewed will include without limitation the managers' policies and practices with

respect to risk control generally and derivatives, non-dollar denominated securities, and securities lending.

(B/R 8/04)

D. Monitoring of Objectives and Results

1. The Committee will review these investment objectives and policies at least once every two years for their continued appropriateness.
2. The Committee will review the strategic allocations at least annually. At this time a modeling of investment returns will be performed to determine what expected returns the current strategy should produce. (B/R 4/05)
3. At least annually, the Committee will determine if any rebalancing of actual allocations should be made.
4. The System's staff will obtain monthly investment performance reports from each manager. The Committee shall have prepared and shall review on a quarterly basis an investment performance report setting forth the asset allocation of the total Fund and the investment returns for individual manager accounts and for the Fund. The returns shall be calculated on a time-weighted basis net of manager fees for the most recent quarter for which data are available and any other short-term periods that the Committee may select, including fiscal-year returns when such data are available. The Committee shall select an appropriate benchmark for each manager. The Committee will use the short-term performance data to monitor the fund and the managers for consistency of investment philosophy, returns relative to objectives and investment risk. Risk will be evaluated as a function of asset concentration, exposure to extreme economic conditions and performance volatility. At least one performance report each year shall include data for such longer periods of times as are specified herein. Regular communication with the managers concerning investment strategy and outlook is expected. Any decision to terminate a manager will normally be based on long-term (*i.e., over a full market cycle*) investment performance as well as other relevant factors. (B/R 4/05)
5. The Committee will periodically review the related services provided to the System, including securities custody, performance evaluation, and consulting. Fees for these services will be explicitly stated in the contract. (B/R 4/05)

E. Derivatives Policy; Securities Lending; Non-Dollar Denominated Securities

1. Investment managers may utilize derivative securities only in a manner consistent with the policies described below.
2. The primary intent of derivative security transactions should be to hedge risk in portfolios or to implement investment strategies more efficiently and at a lower cost than would be possible in the cash market. Derivative securities primarily include interest rate futures, options on interest rate futures, currency futures and forwards, international interest rate futures, and collateralized mortgage obligations. Derivatives will generally not be used to leverage portfolios. Derivatives-based investment strategies should not expose the portfolios to greater risk than would be typical under a strategy utilizing only cash securities. For example, derivative strategies should not be used to alter the effective duration of the portfolio beyond the appropriate ranges. The Committee may make exceptions to these general parameters in the case of particular managers or funds,

provided that any exceptions pertaining to separately managed accounts will be referenced in the applicable manager specific guidelines.

3. No agreement to engage in a securities lending or directed brokerage program will be entered into without the prior approval of the Committee.
4. The policy with respect to non-dollar denominated securities will be specified in the applicable manager specific guidelines or, in the case of commingled funds, will be reviewed periodically by the Committee as provided in C.3.
5. The Committee expects that its investment managers will have in place processes and procedures to control and measure risk.

F. Distribution Policy

1. It is the policy of the Board of Regents to pool all NSHE cash assets for investment in accordance with guidelines stated in the following Section 5 of this Chapter.
2. Except as provided herein, effective July 1, 1996, the NSHE Banking and Investment Office will, on a monthly basis, make a distribution to all NSHE institutions an amount equal to a set percentage of the institutions' average daily cash balance. (B/R 4/05)
 - a. The allocation by the Board of Regents to the institutions is established with the understanding that each institution will assume responsibility for the cash basis payment of all expenses not provided for by the state appropriated budgets including, but not limited to, employment perquisites, interview and recruiting expenses and litigation expenses.
3. Distributions from the Fund will be made monthly at an appropriate rate as determined by the Committee. In order to minimize the potential for a shortfall relative to expectations, the Committee will establish a spending rate on a bi-annual basis to allow the institutions to develop their bi-annual budgets with greater certainty. Each quarterly period, the Committee will review the rate relative to the investment outlook and current surplus or deficit to consider its continued appropriateness. (B/R 10/00)
4. The distribution policy is administered by the Banking and Investment Office in accordance with the Uniform Management of Institutional Funds Act, adopted by the Regents on August 30, 1984 in accordance with the authority granted to them by *Nevada Revised Statutes* (NRS) 396.380 and NRS 396.420 to control and invest the System's funds.

(B/R 8/04)

Section 6. Board and System Administration Accounts

1. The Board Administration account will provide for the necessary expenses of members of the Board of Regents, support for the continuing operations of the office of the Board of Regents, and occasional funding for limited-term projects necessary to meet key Board objectives. Each year the Chancellor shall submit a proposed Board Administration budget for Board approval.

2. The System Administration account will provide for necessary operating resources to support, at the System level and under the direct supervision of the Chancellor, such administrative functions as academic and student affairs, planning, finance, legal affairs, and external relations. Each year the Chancellor shall submit a proposed System Administration budget for Board approval.
3. A contingency reserve will be maintained, at 30 percent of the prior year's annual income, to offset unanticipated shortfalls in revenue and/or unbudgeted expenditures. Funding for the reserve will be designated at a prescribed level to ensure adequacy of support in cases of emergency.
4. Each year the Chancellor shall assess each NSHE institution its proportionate share of the funding required to support the Board Administration Account, the System Administration Account, and the contingency reserve. Such assessment shall be based on the Board-approved budget for each of these accounts. The proportionate shares shall be determined by the ratio of each respective institution's self-supporting budget revenues plus its investment income from the operating investment pool, excluding gifts and transfers, to the total of such revenue from all institutions for the most recently completed fiscal year. Each institution shall transfer its annual assessment in quarterly installments on the last working day of each quarter.

(B/R 6/03)

Section 7. Personal Checks

1. Personal checks will be accepted from students in payment of fees or other bills due to NSHE institutions.
2. The institutions shall not furnish counter checks and checks altered in any way shall not be accepted.
3. The prevailing bank rate will be assessed for any check returned unpaid by the bank.
4. The registration late fee charge will be assessed where the personal check covering registration is subsequently returned unpaid by the bank. (B/R 11/82)
5. Any returned check shall be made good within ten days after notification to the student or suspension or dis-enrollment procedures may be instituted. (B/R 11/90)

Section 8. Approval, Acknowledgment, and Administration of Gifts, Contracts, and Sponsored Programs

I. Introduction

In order to establish a basis for approval of any proposed gift, contract, or sponsored program, the President of each institution will provide assurances to the Board of Regents that:

- A. The designation of the purpose of the gift, contract, or sponsored program is in accordance with the institution's mission statement, the Board of Regents' policies and procedures including the Academic Master Plan and capital construction priorities, the laws of the State of Nevada and the Internal Revenue Code;
- B. The proposal for acceptance of any gift, contract or sponsored program must include a reporting of total direct and indirect costs as compared to anticipated revenue;
- C. The gift, contract or sponsored program is free from injurious racial or gender biases or any other illegal restrictions imposed by the parties;
- D. Acceptance of the gift, contract or sponsored program does not obligate the institution to matching commitments or other costs exceeding the amount of the gift, contract or sponsored program unless the institution concurrently identifies and encumbers institutional funds to cover these costs;
- E. Funds designated by the gift, contract or sponsored program for employee compensation, which includes cash or in-kind perquisites, comply with Board of Regents' Handbook Title 4, Chapter 3;
- F. Gifts, contracts or sponsored programs involving related parties or parties that appear to have conflicting roles in the transaction have been publicly noticed and approved by the Board of Regents;
- G. The institution has defined the basic elements in a donor or contractor's proposal that will be, or have been used to categorize it as a gift, contract or sponsored program.
- H. Gifts intended to fully or partially fund a faculty or administrative position that are made on the condition that a particular person be offered a position within NSHE without going through the regular selection process will not be accepted;
- I. During the course of the selection process to fill a faculty or administrative position supported by a donor gift, no undue or inappropriate influence by or on behalf of the donor may be exerted; and
- J. While a donor may, if legally permissible, restrict the use of a gift, restricted gifts will not be accepted from a donor if a condition of the gift precludes NSHE or an institution from pursuing other work or scholarly activity.

(B/R 6/07)

II. Gifts

A gift to an institution of the NSHE may be accepted only by the Board of Regents, except as provided herein. A gift is defined as a benevolent donation, which does not require any commitment of institutional resources, or services other than the commitment made to carry out the agreed-upon intent of the donor for the use of the gift funds. A gift includes legally enforceable pledges, personal and real property, professional services and forgiveness of indebtedness. A grant will qualify as a gift, contract or sponsored program but not as a separate category for purposes of the Board of Regents' policy. The President of each institution will accept gifts, or when required, recommend the Board of Regents' acceptance of gifts, regardless of the form of the gift, only after providing assurances:

- A. That all gifts to the endowment, loan, plant and current fund groups have been reported for information purposes or submitted to the Board of Regents for acceptance in accordance with guidelines established by the Chancellor's Office which provide that;
1. Current loan and endowment fund group gifts which are additions to previously approved or existing programs will not require Board of Regents' approval before acceptance but will be summarized, along with all other gifts, and reported to the Board of Regents annually; (B/R 12/99)
 2. Approved or existing programs will be defined by the Chancellor's Office;
 3. Charitable remainder trusts, under which the institution is named as remainder man, must be approved by the Board of Regents before the remainder interest is transferred (acceptance) whether or not the trusts are guaranteed and/or managed by the Board of Regents. The gift is included in information reports to the Board of Regents in the year the remainder interest is received by the institution;
 4. All endowment funds will be administered in accordance with the Board of Regents' policy Title 4, Chapter 10, Section 3; (B/R 3/04)
 5. Endowment funds held in trust by foundations or others require Board of Regents' approval and are to be recorded on the general ledger of the institution. The Chancellor's Office will monitor the investment performance and management of these funds. The amount of the gift for information reports to the Board of Regents is the endowment income recorded in the institution's annual financial statements;
 6. Endowment funds will not be accepted if they include requirements in perpetuity for delivery of goods or services to the donor or the donor's designee;
 7. Plant fund gifts must be recommended by the institution and accepted by the Board of Regents. The amount of the gift is included in the annual information report to the Board of Regents during the reporting period that the plant fund gift is recorded for annual financial statement purposes;
 8. Contributions, which are gifts only in part, must be accepted by the Board of Regents and also included in tests for acceptance of contracts and sponsored programs;
 9. If the administration or application of any gift does not comply with institutional policies or meet the criteria established in Section I. *(above)* the non-compliance will be reported to the Board of Regents for a determination as to whether or not the program should be terminated;
 10. On a going forward basis (effective April 4, 2008), gifts to an institution, gifts to the Board of Regents on behalf of an institution, or gifts that can otherwise be determined to be for the benefit of a particular institution, will be transmitted to the institution for management as part of the institution's foundation endowment accounts, unless such transmittal is contrary to the express wishes of the donor. If the institution's foundation does not maintain endowment accounts, the NSHE shall manage the funds on behalf of the institution as part of the NSHE endowment pool. Any transfer of such funds to the foundation for such activities is subject to the institution having an operating agreement in place between the institution and the foundation providing for adequate accounting

and oversight of such funds consistent with Board of Regents requirements specified in Title 4, Chapter 10, Section 9, and shall further provide that the institution or NSHE may obtain the return of the principal and income of these funds for the purpose of depositing such funds in the NSHE endowment pool, subject to any investment restrictions that limit when such funds may be liquidated, under the following circumstances: 1) a material breach of the operating agreement, 2) the declaration of a financial exigency by the Board of Regents, or 3) without cause and effective June 30 upon written notice to the institution no later than March 1 of the preceding year.

- B. That the institution has complied with all applicable federal income tax regulations and restrictions by donors;
- C. That expenditures for entertaining, hosting, travel expenses, or employee perquisites comply with Board of Regents' policies and procedures and will not be authorized by the institution's administration unless the donor has been notified in writing that unrestricted gifts and the investment income from such gifts may be used for these purposes;
- D. That the institution has obtained an independent appraised evaluation of the property received when value is stated for insurance purposes, when the property is sold or recommended for sale by the institution, when the property is recorded officially on the institution's books and records, or when the appraised value is a basis for compliance with tax law. Board of Regents' approval is specifically required for acceptance of all gifts of property except personal property with an estimated fair market value of less than \$5,000.00;
- E. That costs for insurance, real property clean up or storage have been considered in calculating the obligations to the institution in recommending to the Board of Regents the acceptance of gifts of property;
- F. That a donor's restriction on the sale or use of property is reported along with reasons why the restriction is not unreasonable and should be accepted by the Board of Regents;
- G. That procedures for receipt and acknowledgment of non-cash gifts shall be the same as for cash gifts except that specific value cannot be placed on non-cash or in-kind gifts;
- H. That procedures have been established to provide for timely acknowledgments to donors by the President specifically on behalf of the institution and the Board of Regents. Gifts to foundations or other legally separate organizations for the benefit of the institution are to be acknowledged by the foundation or other organization rather than the President of the institution or the Board of Regents;
- I. That the President, when required by this policy, recommend the gift for acceptance by the Board of Regents as soon as possible after it has been offered or the offer announced; however, public announcement of gifts received shall not be made until the gift is accepted by the Board of Regents;

(B/R 10/08)

III. Contracts and Sponsored Programs

The Board of Regents has adopted the following policies to guide the institutions in their administration of contracts and sponsored programs. Included in these policies are contracts or sponsored programs under proposed agreements which would commit the institution's resources or commit the institution to a specific course of action for work to be carried out in its academic departments, laboratories, or administrative units whether on or off-campus. Contracts and sponsored programs must be submitted to the institution's President for approval of the conditions and/or contents of the contract or sponsored program and submitted to the Chancellor's Office for approval of format and signature authority. Contract education agreements are not covered by these guidelines.

- A. The Board of Regents accepts the terms and conditions attached to federal government sponsored programs sought by the institutions. If there is any exception to this policy, the institution will be specifically notified that it should not enter into such programs.
- B. The institution's contracts and sponsored program proposals and agreements are executed in accordance with criteria and directions described by the Chancellor's Office in published procedures.
- C. The institution will have an established policy for the application of indirect overhead to private and governmental contracts and sponsored programs; the policy will include requirements for justification of all modifications to the established overhead rate; the institution will be able to demonstrate that overhead charges based on the established criteria is applied uniformly and equitably to all contractors or sponsors without favoritism;
- D. The institution will through appropriate rules and regulations adhere to basic academic values in contracts and sponsored programs by assuring in the contract agreement the openness of research results and faculty freedom to follow any line of inquiry. Sponsors are to be limited to receiving the research results, publicity for their sponsorship and the goodwill resulting from both.
- E. Interlocal cooperative agreements (*Nevada Revised Statutes 277.080*) and interlocal contracts (*Nevada Revised Statutes 277.180*) shall be executed in accordance with the criteria and directions described by the Chancellor's Office in published procedures. The Board of Regents accepts the terms and conditions of and hereby-approved interlocal cooperative agreements and interlocal contracts, which are in furtherance of federal government, sponsored programs sought by the institutions. (B/R 9/99)

(B/R 8/04)

Section 9. NSHE and Member Institution Foundations Administrative and Accounting Policies

Each member institution Foundation has been duly established as a non-profit corporation under the statutes of the State of Nevada exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the *Internal Revenue Code*. The members of the Board of Regents are corporate members of each Foundation with responsibility to ratify the appointment of the members of the Boards of Trustees of the Foundations, within one year after their appointment, assure the people of the State of Nevada that they will avoid any conflicts with their powers as outlined in the Board of Regents Handbook, Title 1, Article III Section 3,

and manage and control the NSHE. Each corporation must act within the bounds of its purpose and authority as defined by its Articles of Incorporation and Bylaws and in accordance with the policies of the Board of Regents, the laws of the State of Nevada, and the *Internal Revenue Code*. (B/R 4/05)

The following policies also apply to Foundations or other fund raising groups that are not "member institution" foundations as described above, but which have been established to raise funds PRIMARILY for the institutions OR PROGRAMS within the NSHE. Other fundraising groups may request of a "member institution" foundation to fall under their umbrella to assure compliance with the foregoing guidelines. Being under the umbrella of a "member institution" Foundation will be defined by that Foundation and at a minimum will include processing all receipts and disbursements through the foundation in accordance with Foundation and Board of Regents guidelines. Only those fund raising groups that comply with these guidelines will be approved by the Board of Regents to use the name of the institution or the System in their legal names or in their stationery or publications. (B/R 8/94)

To provide the Board of Regents reasonable assurance that its obligations to the people of Nevada are fulfilled, responsibility for the following administrative and accounting guidelines is delegated to the management of each of the Foundations, the President of each institution, and to the Chancellor. The Board of Regents specifically reserves the right to examine the books and records of the Foundations as part of its responsibility to the State of Nevada and to reject any contract entered into by the Foundation, which obligates any institution.

The President of each NSHE institution will be responsible for the activities of its "member institution" Foundation and of all other 501(c)(3) organizations affiliated with the institution. Each President will appoint a senior administrator with financial expertise who is independent of the Foundation to attend all meetings of the Board and executive committees of all 501(c)(3) organizations affiliated with the institution. (B/R 8/04)

A. INSTITUTIONAL ADMINISTRATION

1. Compliance with Institutional Goals.

The President shall have the responsibility to see that the gifts to the institution are in keeping with the goals, objectives and priorities of the institution and of the Nevada System of Higher Education.

2. Internal Accounting Control.

The President of each institution shall be responsible for establishing and maintaining a system of internal accounting controls, which will provide the institution with reasonable assurance that:

- a. There is an objectively measurable separation of the Foundation from the institution and that institutional assets are safeguarded against loss from unauthorized use or disposition;
- b. Transactions with the Foundation are executed in accordance with Board of Regents' and institutional policies;
- c. All transactions with the Foundation are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. (B/R 8/04)

- d. The institution does not use the Foundation for the purpose of circumventing state policies or rules and regulations by engaging in activities or making expenditures which have been denied the institution for other than purely financial reasons and could not withstand public scrutiny;
- e. The institution does not lend funds to the Foundation;
- f. The institution does not incur deficit cash positions with respect to Foundation grants in excess of 30 days. Reasonable interest charges for such deficits may be negotiated.
- g. The Foundation will dispose of capital assets received as gifts as soon as is practical to do so unless the Foundation makes an affirmative decision to retain the asset.
- h. The Foundation will not invest in land, engage in joint ventures or invest in equity positions in privately held stocks that are not listed on the New York Stock Exchange (*NYSE*), National Association of Securities Dealers Automated Quotation (*NASDAQ*) or other nationally recognized stock market without full disclosure to the Chief Financial Officer and the approval of the institution President. If such assets outside these categories are received as gifts, they may be retained if the President agrees to their appropriateness as investments. Such transactions must be disclosed to the Board of Regents Audit Committee at its next regularly scheduled meeting. If the President, on advice of the Chief Financial Officer, does not agree with the appropriateness of an investment or activity of the Foundation, the President must report that activity to the Board of Regents at the next regularly scheduled meeting.

(B/R 8/04)

3. Compliance with Nevada Revised Statutes (NRS) 281.481.
The institution has the responsibility to comply with NRS 281.481 that states that a public officer or employee shall not accept any salary, retainer, augmentation, expense allowance or other compensation from any private source for the performance of his duties as a public officer or employee.
4. Compliance with Foundation Gift and Grant Provisions.
Upon acceptance of funds from the Foundations by the Board of Regents, the institution has the responsibility to manage the funds authorized by the Foundations with the same care and compliance with the gift and grant provisions provided all other funds managed by the institution.
5. Contributions to the Foundation of Services, Assets, and Forgiveness of Indebtedness.
Particular attention should be given to the recording and presentation of donated and contributed services which must be recognized both as revenue and as properly classified expenditures when they meet the criteria of the American Institute of Certified Public Accountants (*AICPA*) and the Financial Accounting Standard's Board. Contributions are defined to include gifts in numerous forms such as cash, marketable securities, land, buildings, use of facilities, materials and supplies, and services provided by NSHE employees. Unconditional promises to contribute such services or assets, in the future, are also defined as contributions for the purposes of this section. The Board of Regents' continued financial support of the Foundations is predicated on compliance with these guidelines.

The President is responsible for submitting to the Board of Regents, for their approval prior to the beginning of the fiscal year, a budget, as defined by the Chancellor's Office, which shows:

- a. The total fiscal year budget of estimated expenses funded from all sources to support institutional development which includes salaries for staff, reporting directly or indirectly to the foundation on a full or part-time basis, and
- b. All contributions that are proposed to be made to the Foundation from the institution. The contributions proposed to be made to the Foundation represent development expenses and activities, which the institution would otherwise manage within the institution. In accordance with the Financial Accounting Standards Board and the AICPA, all contributions made must be stated at fair market value.

(B/R 5/94)

6. Compliance with Board of Regents Personnel Policies.

The institution is responsible for compliance with Board of Regents' policy requirements, as periodically amended and outlined in the Board of Regents' Handbook, including but not limited to the following:

- a. Title 4, Chapter 3 which applies to all professional staff paid for by the Board of Regents regardless of the funding source and whether or not their services have been contributed in total or in part to the Foundation. Estimated amounts of all salaries, consulting fees, or perquisites donated in cash or in-kind by an institution Foundation for institution employees are considered compensation within the meaning of the Board of Regents' Handbook citation. Perquisites must be submitted in advance in writing to the Board of Regents for approval and include automobiles and related expenditures, automobile allowances, host allowances, housing and related expenditures, memberships, dues, retirement funds, or any other compensation over and above the basic salary. The President will submit to the Board of Regents a schedule of these items, by employee, including the amount proposed to be donated on behalf of the employee prior to the beginning of the NSHE fiscal year. Loans to institution employees are prohibited. All payments must be made to the employee by and through the institution. Perquisites that are submitted in advance to the Board of Regents for payment to an employee throughout the year may be included as a one time grant to the institution even though payments are made in accordance with Board of Regents' approval throughout the fiscal year.
- b. Title 4, Chapter 10, Section 21, applies to Host Accounts, which must be officially created by the Board of Regents from funds donated by a Foundation. Unrestricted gifts from a Foundation do not automatically include authority to incur hosting, entertainment or travel expenses, nor can an employee of the institution direct the use of Foundation funds for these purposes.

(B/R 12/09)

B. FOUNDATION ADMINISTRATION

1. Financial Statements and Reporting. Annual financial statements will be prepared by the Foundation. Unless specifically exempted by the Board of Regents, the financial statements must reflect compliance with all applicable state and federal laws and Board of Regents' policy, and they must include an unqualified opinion by an independent Certified Public Accountant. It is the goal of the Board of Regents to receive financial statements as soon as possible after the Foundations' financial year-ends. A copy of the financial statements, management letter and the un-audited schedules referenced below should be forwarded to the Chancellor's Office no later than three and one-half months after the Foundations' financial year-end. The Foundation, in cooperation with the independent audit firm, is to establish a materials deadline and work schedule in order to meet the Board of Regents' goal.

Each Foundation within the NSHE must be audited annually by a Nevada licensed independent audit firm. The request by the Board of Regents for audits of procedures is interpreted to mean general administrative practices and accounting principles to be used by Foundation management in the preparation of the annual financial reports that the independent auditors will examine. All independent audits must be conducted in accordance with generally accepted auditing standards.

The Board of Regents specifically requests advance notice if the three and one-half month goal is not to be met along with a schedule stating when financial statements will be published. Management must present a written report responding to any internal accounting control weakness, comments on operations, or other observations of the independent Certified Public Accountant.

If the Foundation desires an exemption from the audit requirements it must be requested in writing, along with the reasons for the request and the alternatives offered to satisfy reporting requirements to the Board of Regents before the corporations' financial year-end.

Foundations with total assets less than \$7.5M may request consideration for an audit waiver that would require an audit at least every other year.

Foundations with total assets greater than \$7.5M are not eligible for consideration of an audit waiver. Foundations receiving federal funds or federal pass-through funds are not eligible for consideration of an audit waiver. Absent exceptional circumstances, waivers will not be granted to affiliate foundations that may be audited as part of the primary college or university foundation audit.

Staff will advise the Audit Committee whether each audit waiver would adversely impact the external auditor's opinion on the NSHE financial statements prior to consideration of each audit waiver.

(B/R 6/08)

2. Accrual Basis Accounting. Financial statements will be prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles of the Governmental Accounting Standards Board. (B/R 8/04)

3. Gift and/or Grant Authorization Expenditures. The Financial statements should adequately categorize expenditures as either:
 - a. "Gift and/or grant authorization" also known as program expenditures that relate directly to the primary missions of the member institution, or
 - b. "general administration" that include such costs as general administration, membership development, and fund raising for the Foundation.

Gift and/or grant authorization should include and identify donations from any Foundation to any NSHE institution. In addition, the annual financial statements shall present gifts and grants authorized, gifts and grants donated, and an un-audited summary schedule by Foundation account of all grants authorized and accepted by the Board of Regents. The total of the schedule should agree with the total for program expenditures on the audited financial statements including the fair market prices for any in-kind transactions.

4. Expenditures of General Administration. The Foundation will have expenditures for salaries, travel, fund raising, office supplies, investment management services and other costs necessary for the general administration of the Foundation's affairs.

The annual financial statements shall present these general administrative expenses in a common format as determined in No. 5 (*below*) in an un-audited schedule. The total of the detail listing should agree with the total for general administrative expenditures on the audited financial statements. An additional un-audited schedule containing a list of the ten top payees of the Foundation shall be included.

5. Common Format Reporting. All reports, statements, expense summaries and the like required to be prepared by the Foundations for submission to the Board of Regents shall, to the extent possible, be in a common format. The Chancellor shall coordinate reporting and the establishment of such common formats.

6. Public Information and Open Meeting Law.

All reports, statements and expenditure summaries prepared for submission to the Board of Regents pursuant to this section shall be public records, available as such upon reasonable request.

All NSHE Foundations shall comply with the Nevada state law requiring a university Foundation to observe the state's Open Meeting Law and the Open Record Law. The Open Record Law permits the protection of the names of contributors or potential contributors, the amount of contributions and any information, which may lead to the discovery of contributors.

7. Required Disclosure to Donors. Foundations shall make clear to prospective donors that the Foundation is a tax-exempt non-profit organization and that all gifts are to be made payable to the Foundations. Each Foundation shall in communicating with the donors or prospective donors use its own stationery clearly displaying its own corporate identity.

The Foundation shall obtain from each donor a signed form stating that the gift is intended for the foundation and not the institution. If the donor subsequently misdirects the check to the institution rather than to the foundation, this documentation from the donor will authorize

the institution to issue an exchange check with the foundation. If the Foundation does not disclose to the donor by printed or written material that a gift or the income from the gift is to be used for entertaining, hosting, travel, or employee perquisites, it must then obtain specific authorization from the donor to use the gift funds for such purposes.

The Foundation shall administer any restricted gift to the Foundation in accordance with the wishes of the donor and shall notify the donor if the Foundation plans to delay, for any reason, the use of the restricted gift for its intended purpose.

8. Compliance with Board of Regents' Gifts and Grants Policy. The Foundations will be required to comply with Board of Regents' policy requirements, as periodically amended and outlined in the Board of Regents' Handbook, including but not limited to the following:
 - a. Title 4, Chapter 10, Section 8 Approval, Acknowledgment, and Administration of Gifts, Contracts, and Sponsored Programs. The Foundation will comply with procedures for award of gifts and grants as defined by the Chancellor's Office. The purpose of the Chancellor's Office procedure is to eliminate timing differences in the amount of gifts and grants awarded by the foundation as compared to and consistent with the reporting of gifts and grants by the Board of Regents and the institution. The internal controls practiced by the Foundation and the integration of their gift and grant process with the institution's administrative controls and formal books and records are to be considered by the Chancellor's Office in the procedural requirements.
9. Compliance with Reporting Procedures. All gifts and grants donated from any institution Foundation to or on behalf of any NSHE institution or its employees must be reported in accordance with procedures established by the Chancellor. The Foundations are precluded from making direct expenditures to or on behalf of any NSHE institution or its employees. All expenditures to or for the benefit of the NSHE institution or its employees must be in the form of a gift or grant of money, sum certain, to the institution.

The advantage of this procedure is that Foundations will thereby disburse funds only to institutions for gift and grant authorizations acceptable to the Board of Regents, and individual expenditures will occur within the established internal accounting controls of the NSHE institutions.

C. CHANCELLOR'S OFFICE ADMINISTRATION

1. Receipts-Cash. Fund accounting principles shall apply to all cash receipts from the Foundation with emphasis on documenting any donor's restrictions on use of the gift and the proper categorization of funds into designated and non-designated fund groups. Cash receipts can be commingled in a single bank account for cash management purposes as long as generally accepted fund accounting principles are complied with.
2. Board of Regents' Acceptance and Reporting Policy.
 - a. Current fund gifts, which are additions to previously approved or existing programs, may be accepted by the President with spending authority established on the institution's general ledger without seeking additional acceptance from the Board of Regents. The Board of Regents delegates to the Chancellor's Office the responsibility for establishing the definition of previously approved or existing programs. Annual information reports to the Board of Regents will be prepared by the Chancellor's Office, in cooperation with the institutions, which include the total amount of previously approved or existing program

gifts. These annual reports will be prepared according to generally accepted accounting principles and will place specific emphasis on categorizing gifts by restriction and National Association of College and University Business Officers (NACUBO defined expenditure category, i.e., instruction, scholarships and fellowships, institutional support, research, public service, and academic support.)

- b. All other gifts, specifically plant fund and endowment fund gifts, must be presented to the Board of Regents for their approval prior to acceptance by the President of the institution. The Chancellor's Office will make recommendations regarding acceptance of these gifts and define the information, which must be presented to the Board of Regents when seeking approval for the gift.

(B/R 2/94)

Section 10. Salary or Annuity Option Agreements

1. Any employee of the NSHE, whether full- or part-time, may authorize the NSHE to reduce his or her monthly compensation for the purpose of purchasing on his or her behalf a non-forfeitable retirement annuity contract requiring premium payments of a like amount. The salary or annuity contract may be approved for any amount up to the maximum allowable under the *Internal Revenue Code*.
2. The annuity contracts may be purchased by the employee through payroll reduction from companies selected and approved by the NSHE for such purpose. These companies will have met licensing requirements established by the State of Nevada. The NSHE assumes no responsibility for these contracts except to make the payments as designated in an amount equal to the salary reduction.

(B/R 11/98)

Section 11. Use of the Capital Improvement Fee

1. A portion of the registration fee established pursuant to Title 4, Chapter 17, for all credit-bearing courses, shall be allotted for capital projects and will be referred to as the "Capital Improvement Fee."
2. Funds generated from the Capital Improvement Fee shall be deposited into a Capital Improvement Fee Fund for each institution that is maintained separately.
3. Funds generated by the Capital Improvement Fee may be expended on projects of \$100,000 or less that have been approved by the President and if for the following purposes:
 - a. For the service of revenue bonds when a revenue bond issue is authorized by the Nevada State Legislature and approved by the Board of Regents. Such revenue bonds may be issued for the purpose of construction and furnishing of facilities.
 - b. For the necessary supplementation of capital projects that have been approved by the Nevada State Legislature.
 - c. For loans on residence and dining hall bond indebtedness service when funds are not otherwise available to meet the required annual payments.

- d. For remodeling projects and related furniture, fixtures, and equipment as are urgently needed for the accommodation of students in buildings, but which cannot be funded from other institutional funds or State Public Works Board Capital Improvement Funds.
 - e. For programming, planning, design, and feasibility studies pertaining to capital projects, which require consulting services in order to carry out the institution's basic responsibilities in developing long-range programs and plans.
 - f. For real property improvements as are necessary.
 - g. For the purchase of land or buildings adjacent to a campus or branch campus and within the master plan areas as such land or buildings become available and are offered for sale.
 - h. For other purposes approved by the Board of Regents.
4. Expending funds generated by the Capital Improvement Fee for projects or expenses in excess of \$100,000 requires approval by the Board of Regents.
(B/R 2/09)

Section 12. Use of the General Improvement Fee

1. A portion of the registration fee established pursuant to Title 4, Chapter 17 for all credit-bearing courses shall be allotted for general improvements as defined in this section and will be referred to as the "General Improvement Fee."
2. Funds generated from the General Improvement Fee shall be deposited into a General Improvement Fee Fund for each institution that is maintained separately.
3. Funds generated by the General Improvement Fee shall be expended on goods and services that directly enhance the educational experience of the student body, including, but not limited to student advising, counseling, recruiting, orientation, and other general student support services. This includes expending funds on salaries and wages, operating, equipment, and library materials that benefit the general student population. One dollar of the General Improvement Fee funds generated at each institution may be used for other purposes as designated by the President.
4. Expending funds generated by the General Improvement Fee for other purposes than those described in subsection 3 shall require approval by the Board of Regents. This requirement does not apply to the dollar that may be used for purposes designated by the President unless otherwise provided for in Board policy.
(B/R 2/09)

Section 13. Use of the Activities and Programs Fee

1. A portion of the registration fee established pursuant to Title 4, Chapter 17, for all credit-bearing courses, shall be allotted for graduate and undergraduate student activities and programs and will be referred to as the "Activities and Programs Fee."
2. Funds generated from the Activities and Programs Fee shall be deposited into an Activities and Programs Fee fund for each institution that is maintained separately. The institution may account for such funds in multiple accounts if necessary.

3. Funds generated by the Activities and Programs Fee shall be expended on specific student activities and programs, including salaries and wages, operating, and equipment.
4. Expending funds generated by the Activities and Programs Fee for purposes other than those described in subsection 3 shall require approval by the Board of Regents.
(B/R 2/09)

Section 14. Use of the Student Association Fee

1. A portion of the registration fee established pursuant to Title 4, Chapter 17, for all credit-bearing courses shall be allotted for student government and will be referred to as the "Student Association Fee," unless a Board-approved student association fee has been established outside of the registration fee distribution.
2. Funds generated from the Student Association Fee shall be deposited into a Student Association Fee fund with the fees from each institution maintained separately.
3. Funds generated from the Student Association Fee shall be expended for the support of institutional student government associations, including salaries and wages, operating, scholarships, and equipment expenses.
4. Expending funds generated by the Student Association Fee for other purposes than those described in subsection 3 shall require approval by the Board of Regents.
5. The provisions of this section concerning the authorized use and administration of funds generated from the Student Association fee are also applicable to any Board approved student association fee charged in addition to registration fees.

(B/R 2/09)

Section 15. Use of the Technology Fee

Funds generated by the Technology Fee established in Title 4, Chapter 17, must be used directly for the betterment of the students' educational experience. Funds may be used for any technology-related expenditure, including, but not limited to equipment, associated software and licensing, Internet and Web-related support, user services/help desk support, lab support, lab coordinators and assistants, electronic library media, enhanced instructional technology for classrooms and labs, and distance education/interactive video equipment and facilitators. Each institution shall report annually the use of technology fee-generated funds to its student government organization and the Chancellor's Office. (B/R 8/06)

Section 16. Distribution of the Registration Fees

The registration fee shall be distributed among the various accounts in conformity with a schedule approved by the Board of Regents. Distribution shall be in accordance with the category in which a student is placed in his or her original registration that semester (*i.e., graduate or undergraduate and lower- or upper-division at GBC and CCSN*). (B/R 12/04)

1. Continuing Education, Community Service, and Off-Campus Programs.
 - a. Entire fee to be dedicated to program budget for instruction. (B/R 5/90)
 - b. At the universities and state colleges, the per credit fee for credit courses offered by continuing education during the Fall or Spring Term shall be the same as the per credit fee charged for other credit courses offered during the same time period. During the Summer, the fees for continuing education courses shall be the same as the fees charged for summer session courses. (B/R 12/02)
2. The refund of fees paid shall be made in conformity with the refund schedule described in Chapter 17 and shall apply to the entire registration fee. (B/R 6/85)

Section 17. Distribution of Fee and Tuition, School of Medicine

The distribution of the registration fee per semester for students in the School of Medicine (*SOM*) shall be established by the Board of Regents: (B/R 12/04)

Tuition paid by or on behalf of a student of the School of Medicine shall be revenue of the budget for the School of Medicine. (B/R 11/76)

Section 18. Distribution of Fees and Tuition, William S. Boyd School of Law

The distribution of the registration fee per semester for students in the Williams S. Boyd School of Law shall be established by the Board of Regents: (B/R 3/04, 12/04)

Tuition paid by or on behalf of a student of the William S. Boyd School of Law shall be revenue of the budget for the William S. Boyd School of Law. (B/R 5/98)

Section 19. Distribution of Fees and Tuition, School of Dental Medicine

The distribution of the registration fee per semester for students in the School of Dental Medicine shall be established by the Board of Regents: (B/R 12/04)

Tuition paid by or on behalf of a student of the School of Dental Medicine shall be revenue of the budget for the School of Dental Medicine. (B/R 3/04)

Section 20. Collection of Student Loans

1. When a student has been a recipient of a student loan and repayment of such a loan is overdue, such student shall be notified by the proper officers through the U.S. mail. If there is no response within a period of ten days, another such notification shall be given. If the recipient has not responded to the second letter by the date specified, the account shall be collected in a manner determined by the proper authority. (B/R 9/61)

2. Annually, at fiscal year end, each institution will report to the Board of Regents the total amount of student loans outstanding at the beginning and end of the year, the loans awarded and collected during the year, the dollar amount of loans written off during the year, and the percentage of loans written off during the year, as a percent of loans awarded. All institutions will follow standardized collection and write-off procedures. It is understood that a 'hold' shall be retained on the student's records. (B/R 10/83)

Section 21. Host Expenditures

1. Purpose.

Host expenditures may be incurred for reasonable expenses for meals, beverages, flowers and small gifts (*such as mementos*) by or on behalf of employees or guests of the NSHE or one of its institutions in the conduct of necessary business activities. Hosting must provide a benefit to the System or institution through the establishment of good will, promotion of programs, or creation of opportunities for meetings in which the mission of the System or NSHE institution may be advanced.

All expenditures that are essential and part of a program, such as faculty and student recruitment activities, marketing, employee professional development, participant-funded events, and food supplied for culinary programs are normal operating expenses and not a host expense.

(B/R 12/05)

2. Restrictions.

- a. Host expenditures may not be charged to state accounts. (B/R 12/05)
- b. Host expenditures may not be used to pay or reimburse expenses otherwise not allowed by state or institutional regulations.
- c. Gratuities shall not exceed 20 percent of the cost of a meal.
- d. Any NSHE-registered lobbyist shall provide a copy of required State of Nevada expense reports to the Chancellor and to the Board Chair at the time they are submitted to the state.
- e. Further restrictions and policies related to the management of host accounts may be provided through procedures established by the Chancellor. Each person authorized to use a host account shall be provided with a copy of the Chancellor's procedures and this section of the Board Handbook.

(B/R 3/04)

3. Authority.

The Board of Regents delegates to the Chancellor (*for the System Administration*) and to the Presidents (*for each institution*) the authority to establish host accounts for the following:

- a. Grant, contract or gift accounts where the donor or sponsor specifically provides for host expenditures. (B/R 3/04)
- b. Student government funds.
- c. Unrestricted institutional funds.

Reimbursement for host expenditures of the Chancellor must be approved by the Chair of the Board of Regents. Reimbursement for host expenditures of an institution President must be approved by the Chancellor. Exceptions to this policy are subject to approval by the Chancellor (B/R 12/05)

4. The NSHE Internal Audit Department will test and sample host accounts annually. (B/R 3/04)
5. Institutions may define further conditions for the use of host accounts. (B/R 12/05)

Section 22. Policies Concerning NSHE Intercollegiate Athletics

The Board of Regents encourages the development of intercollegiate athletic programs at the Nevada System of Higher Education (*NSHE*) institutions consistent with their institutional mission and goals. The goal of the NSHE shall be to provide for student competition in intercollegiate sports appropriate to the universities, colleges and their conferences, to fiscal resources available, and to sound standards of student academic performance. Every intercollegiate athletic program shall comply with all applicable rules and regulations of the National College Athletic Association (*NCAA*) and other organizations and conferences in which each is member. Intercollegiate athletics programs shall be intended to protect and enhance both the educational and physical welfare of student-athletes. Intercollegiate athletic programs shall seek to support and develop each participating student's academic and athletic talents, and shall seek to assure that the student athlete, as a student in an academic setting, achieves scholastically to the best of his or her capabilities. During recruitment activities, this policy shall be made known to potential men and women student athletes. Intercollegiate sports shall be viewed as an important component of the university, state college, college community, and of individual development. (B/R 4/01)

The goals identified in support of the institutions' athletic mission statements include:

1. In recognition of the importance of academics in maintaining the integrity of athletic programs, the universities and colleges will emphasize and ensure progress towards graduation by establishing and enforcing academic standards and developing a support system to increase the academic success of student-athletics;

2. An Intercollegiate Athletic Council (*IAC*), organized in conformity with NCAA rules and regulations, shall be established and maintained by each university and every college engaged in intercollegiate athletics. The IAC will serve as an advisory committee reporting to the institution President;
3. Each Director of Athletics and all coaches recognize the necessity for funding for athletic programs and the necessity to assist in this process. Funding for athletics may be provided by both public and private sources. Each institution shall be responsible for the proper disclosure, accounting, control and administration of all funds; and
4. Each institution is accountable to the Board of Regents, as it is the Board of Regents which maintains the ultimate responsibility for all contractual obligations and implementation of the goals contained in the Intercollegiate Athletics Policies and mission statement. (B/R 4/01)

1. Institutional Control.

- a. The Board of Regents charges the institution itself, and the President of each institution, with the responsibility for the conduct and control of intercollegiate programs and activities. (B/R 5/90)
- b. Each institution and its employees shall comply with all applicable rules and regulations of the NCAA and other organizations and athletics conferences in which each is a member. Each institution shall regularly engage in self-study, which monitors intercollegiate athletics programs to assure compliance with such rules. Each institution shall identify, and report to the appropriate organization, instances in which compliance has not been achieved. Each institution will cooperate fully with the NCAA and athletic conferences in investigation instances of noncompliance and will promptly take appropriate disciplinary and remedial action. (B/R 5/90)
- c. To assist in assuring institutional control over intercollegiate athletics programs, member institutions shall not make new joint appointments to the positions of Director of Intercollegiate Athletics and coach of an intercollegiate sports program. (B/R 5/90)
- d. Compliance programs will be enforced by a compliance officer who shall report to, and serve within the office of the President of each institution. In carrying out these responsibilities, the President shall also be assisted by the Intercollegiate Athletic Board. Institutions are encouraged to impose more stringent policies and rules when, in the judgment of the institution, such policies and rules are necessary. (B/R 5/90)

2. Academic and Athletic Standards.

- a. Intercollegiate athletics programs shall be an integral part of the educational program of each institution and student-athletes shall be an integral part of each student body. Policies and standards concerning the admission, academic standing and academic progress of student-athletes shall be consistent with policies and standards adopted for each student body generally. Each institution must establish policies concerning class time, assignments, tests and final examinations that are missed by student-athletes due to participation in officially sponsored intercollegiate athletic events. (B/R 5/90)

- b. Student-athletes are representatives of the institution. Student-athletes shall deport themselves with honesty and good sportsmanship, in compliance with all applicable NCAA, conference, and university rules and regulations, and in accordance with all such rules and laws regulating gaming. Their behavior shall reflect the high standards of honor and dignity that characterize participation in intercollegiate activities. (B/R 5/90)
- c. Minimum Academic Requirements for Continuing Eligibility of Student Athletes.

Students first enrolled full-time in any collegiate institution during the fall 1992 or after must meet the following requirements to be eligible for intercollegiate competition:

GENERAL REQUIREMENTS

NCAA rules require:

- Full-time enrollment (*minimum 12 credits*).
- Satisfactory completion of 24 credit hours during each academic year.
- At least 18 credits must be completed during the regular academic year (*Fall and Spring semesters combined*).
- No more than 6 credits of Summer hours may count toward meeting the 24 credit hours.

SPECIFIC NCAA REQUIREMENTS

AS A JUNIOR:

- Declare a major and make satisfactory progress toward the degree.
- Have completed 25% of the degree credits in your major.
- Have 90% of the cumulative minimum GPA required for graduation.

AS A SENIOR:

- Have completed 50% of the degree credits in your major.
- Have 95% of the cumulative minimum GPA required for graduation.

AS A FIFTH YEAR:

- Have completed 75% of the degree credits in your major.
- Have 95% of the cumulative minimum GPA required for graduation.

(B/R 6/94)

3. Review of Intercollegiate Programs. The institution shall be responsible for reviewing and evaluating, on a regular basis approved by the Board of Regents, financial, academic, and managerial aspects of the athletics program. All expenditures for or on behalf of an institution that is a Division I member of the NCAA, including expenditures made by any outside organization, agency, or group, shall be subject to an annual financial audit (*in addition to regular audits*) in a form approved by the NCAA, conducted for the institution by a qualified auditor who is not a staff member of the institution and who is selected either by the institution's President or by an institutional administrator from outside the Department of Intercollegiate Athletics designed by the President. (B/R 5/90)

4. Fiscal and Budgetary Control. The institution shall be responsible for the proper accounting and administration of all funds, services, and gifts-in-kind received and expended on intercollegiate athletics.

- a. Gifts

All gifts must be accepted and approved by the Board of Regents in compliance with the provisions of Title 4, Chapter 10, Section 8 of the Board of Regents Handbook. The use of gift monies accepted and approved by the Board on behalf of the Athletic Department will be determined by the institutional President and Athletic Director, with the exception of gifts specifically restricted by the donor.

- b. Interest Income

The use of interest income generated from surplus operating capital of the Athletic Department will be determined by the institutional President and Athletic Director.

- c. Compensation

Compensation to athletic department personnel shall be approved by the President and awarded through proper institutional channels. Employees receiving compensation for outside professional services will comply with provisions of Title 4, Chapter 3, Section 8, of the Board of Regents' Handbook. The contracts of coaches in Departments of Intercollegiate Athletics shall provide that coaches found by the institution to have committed violations of NCAA rules will be subject to actions as provided by NCAA enforcement provisions. Contracts shall also provide that all coaches, full-time and part-time, must report annually to the institution all athletically related income. (B/R 5/90)

- d. Revenue

Revenues received in the current fiscal year for services or goods to be provided in a future fiscal year may not be used in the current year except with Board approval.

- e. Budget Revisions

Budget revisions shall occur only in compliance with established Nevada System of Higher Education guidelines approved by the Board of Regents.

- f. Boosters

- (1) Each institution shall be responsible for identifying, and monitoring the activities of, individuals and groups representing the institution's athletics interests (*boosters*) to assure compliance with applicable NCAA, conference, and institutional rules, regulations and guidelines. Each institution shall provide comprehensive orientation and educational programs concerning NCAA, conference, and institutional rules and regulations to persons or groups identified with the institution's athletics interests. The Board shall approve the defined operating relationship between individuals and groups representing the institution's athletics interests and each institution. All changes in the duties and responsibilities of each party must be approved by the Board. (B/R 8/92)

(2) As a condition of the purchase of season tickets or other admissions to the institution's intercollegiate athletics events, or as a condition of membership in booster clubs, all individuals or groups representing each institution's athletics interests (*boosters*) are expected and required to cooperate fully in the institutions' efforts to comply with NCAA and conference bylaws, rules and regulations, including without limitation cooperating fully in all investigations of possible violations of such rules. Any individual or group found to have committed violations of NCAA or conference rules and regulations, or failing to cooperate fully in the institutions' compliance efforts shall be subject to disassociation from the institutions' athletics interests and immediate termination of all further participation in the institutions' athletics programs, including without limitation the purchase of season tickets or other admissions to the institutions' athletics events or the revocation or cancellation of the purchase of season tickets or other admissions to the institutions' athletics events. If the purchase of season tickets or other admissions to the institutions' athletics events is revoked or canceled, the purchase price paid for any unused tickets or admissions shall be repaid to the purchaser. (B/R 8/92)

5. Student Participation.

- a. Participation in all men's and women's sports shall be encouraged for all students with the interest and ability. Each institution shall make a commitment to provide equitable financial and managerial support for programs of quality in sports for both men and women and in both revenue and non-revenue producing categories.
- b. The institutions are encouraged to recruit student athletes within the state of Nevada and seek their participation in intercollegiate sports.

6. Planning. Five-year plans for each institution shall be developed and implemented for intercollegiate athletics.

7. Policy and Procedures Manual. Each institution shall develop and utilize a policy and procedures manual concerning intercollegiate athletic operations.
(B/R 5/83)

Section 23. Institutional Trade-Out Policy.

1. General Policy.

- a. A trade-out is defined as an agreement between an institution or branch of the NSHE on behalf of itself or one of its colleges, departments, events centers, performing arts centers, units, programs, or other such entity (*hereinafter referred to as the "institution"*) and an individual, partnership, corporation, or other such entity for goods or services in exchange for anything of value from the institution, including, but not limited to, advertising, club memberships, sponsorships, or tickets to any event.
- b. Each institution shall adopt more specific trade-out policies in order to implement Board policy tailored to the circumstances of each entity that may make use of trade-outs. Institutional trade-out policies shall be in conformity with the Board of Regents' trade-out policy. The adoption, amendment, or repeal of institutional policy shall be on the recommendation of the President and approved by the Board of Regents.

Minimally, the institution's policies must address the following areas: establishing new trade-outs; renewing trade-outs; multi-year trade-outs; non-renewal of trade-outs; audit/review; oversight and authorization; form(s) required; procedures for use of trade-outs.

- c. Institutional trade-out policies must be in compliance with all applicable laws, regulations, and Board of Regents' policies and must be in the best interest of the institution.
- d. All trade-out agreements must be in writing and approved by the President or his or her designee. The authority of a President's designee to execute trade-out agreements must be in writing and signed by the President.
- e. Trade-outs are to be used solely for the benefit of the institution and exclusively for business purposes. Any personal use or benefit from a trade-out is prohibited.

(B/R 8/02)

Section 24. Intercollegiate Athletics Trade-Out Policy.

1. UNLV

- a. A trade-out is defined as an agreement between the Department of Intercollegiate Athletics and an individual, business or corporation for goods and/or services in return for something of value from the department (*including advertising, club memberships, sponsorships, tickets to athletic events, etc.*) (B/R 5/90)
- b. The Director of the Department of Intercollegiate Athletics must approve all trade-outs. (B/R 5/90)
- c. Finalized trade-out records will be maintained in the Athletic Business Office under the supervision of the Senior Assistant Athletic Director for Finance/Athletic Business Manager. (B/R 5/90)
- d. Official receipts must be provided for all trade-outs and must be submitted to the Senior Assistant Athletic Director for Finance/Athletic Business Manager within 24 hours of business. (B/R 5/90)
- e. No trade-out will be initiated without prior knowledge and approval of the Director of the Department of Intercollegiate Athletics. (B/R 5/90)
- f. To initiate a trade, staff members will consult with the Assistant Athletic Director/Director of Athletic Development who will in turn seek approval from the Director. (B/R 5/90)
- g. Trade-outs, which involve tickets, are subject to ticket availability; approval must be obtained from the Assistant Athletic Director/Athletic Ticket Manager prior to finalization of contract. (B/R 5/90)
- h. Trade-outs, which involve print advertising, are subject to availability of space; approval must be obtained from the Assistant Athletic Director/Communications prior to finalization of contract. (B/R 5/90)

- i. Trade-outs, which involve promotions or game sponsorships, are also subject to availability of each; approval must be obtained from the Director of Marketing and Promotions prior to finalization of contract. (B/R 5/90)
- j. Prior to signature by the Director, trade-outs will be reviewed by the Assistant Athletic Director/Director of Athletic Development and the Senior Assistant Athletic Director for Finance/Athletic Business Manager. (B/R 5/90)
- k. Trade-outs will be approved only if they are in the best interest of the Department of Intercollegiate Athletics. (B/R 5/90)
- l. Trade-outs are to be utilized exclusively for business purposes. Personal use of trade-outs is prohibited. (B/R 5/90)
- m. Trade-outs are subject to annual audit. Auditors will require verification of relevant details. (B/R 5/90)
- n. Trade-outs are subject to annual review. (B/R 5/90)
- o. Meal trade-outs are to be utilized for business purposes only; business purposes are defined as meals with persons outside of the Department of Intercollegiate Athletics with whom the department has, or intends to have, official business. Meal trade-outs are not to be utilized solely by departmental staff. (B/R 5/90)
- p. The Assistant Athletic Director/Director of Athletic Development and the Senior Assistant Athletic Director for Finance must have knowledge of all trade-outs for accurate record keeping in the Athletic Business Office. (B/R 5/90)
- q. Employees determined to be in violation of the departmental trade-out policy will lose trade-out privileges and may be subject to termination of employment by the institution. (B/R 5/90)

2. UNR

- a. A "trade-out" is defined as an agreement by and between the Department of Intercollegiate Athletics (*ICA*) and an individual, business or corporation for goods and/or services in return for something of value from *ICA* (*including, but not limited to, advertising, club memberships, sponsorships, tickets to athletic events, etc.*). (B/R 5/90)
- b. All trade-out agreements must be approved by the Director of Athletics or his designee in his absence. (B/R 5/90)
- c. All trade-out agreements must be in accordance with NCAA, University and *ICA* policies, rules, and regulations. (B/R 5/90)
- d. Documentation for trade-out agreements will be consistent with acceptable accounting procedures and guidelines established by the University as approved by the Board of Regents. (B/R 5/90)

- e. A listing of all trade-out agreements will be maintained by the Assistant Athletic Director for Promotions for review upon reasonable request by authorized personnel. (B/R 5/90)
- f. Trade-out agreements will be approved where the value received by ICA is of equal or greater value. (B/R 8/03)
- g. Where trade-out agreements involve property subject to inventory, such property shall be received in accordance with University property control procedures and reported in accordance with Board of Regents' policy. (B/R 12/08)
- h. All trade-out agreements are to be in compliance with the Internal Revenue Code, Section 132, and therefore construed to be tax exempt. (B/R 5/90)
- i. This policy may not be amended without written approval of the Director of Athletics. (B/R 5/90)

Section 25. Intercollegiate Athletics Complimentary Ticket Policy.

1. UNLV

This policy governs the issuance of complimentary tickets for the UNLV Department of Intercollegiate Athletics (ICA) events. The policy shall be administered by the Director of the Department of ICA who is responsible for compliance with the policy hereunder.

- a. Complimentary tickets for Department of ICA events are University property and shall not be directly or indirectly sold or exchanged by any employee for money, anything of value, or for the benefit of the employee or any other person.
- b. Any distribution of complimentary tickets shall be in compliance with federal and state statutes and regulations; the Code, policies and procedures of the Nevada System of Higher Education; the policies, rules and regulations of the NCAA; and those of any athletic conference with which UNLV is affiliated and those of the University and the Department of ICA.
- c. The Department of ICA shall follow specific detailed procedures as established in the Department's ticket policy.
- d. The Intercollegiate Athletic Council will review proposed changes to the ICA Departmental ticket policy.
- e. Distribution of complimentary tickets pursuant to this policy shall be reported to the Internal Revenue Service in accordance with federal revenue regulations.
- f. Authorization to distribute complimentary season and/or game-by-game tickets not specifically provided for in the departmental ticket policy shall be submitted in writing with a description of the business purpose therefore and approved in advance by the Director of the Department of ICA or his designee.

(B/R 1/06)

2. UNR

This policy governs the issuance of complimentary tickets for the UNR Department of Intercollegiate Athletics (ICA) events. The policy shall be administered by the Director of the Department of ICA who is responsible for compliance with the policy hereunder.

- a. Complimentary tickets for Department of ICA events are University property and shall not be directly or indirectly sold or exchanged by any employee for money, anything of value, or for the benefit of the employee or any other person.
- b. Any distribution of complimentary tickets shall be in compliance with federal and state statutes and regulations; the Code, policies and procedures of the Nevada System of Higher Education; the policies, rules and regulations of the NCAA; and those of any athletic conference with which UNR is affiliated and those of the University and the Department of ICA.
- c. The Department of ICA shall follow specific detailed procedures as established in the Department's ticket policy.
- d. Distribution of complimentary tickets pursuant to this policy shall be reported to the Internal Revenue Service in accordance with federal revenue regulations.
- e. Authorization to distribute complimentary season and/or game-by-game tickets not specifically provided for in the departmental ticket policy shall be submitted, in writing, with a description of the business purpose therefore and approved in advance by the Director of the Department of ICA or his/her designee.

(B/R 3/06)

Section 26. Property, Capital Improvement Planning, and Facilities Management

1. Vandalism. The Chancellor shall establish procedures concerning the reporting and investigation of damage to NSHE institutional buildings, equipment, or other property.
2. Preliminary Capital Improvement Plans. The Chancellor shall establish procedures concerning the presentation of preliminary capital improvement plans to the Board of Regents.
3. Naming of Buildings. The Chancellor shall establish procedures concerning the naming of campus buildings.
4. Little Valley. The area of land known as Little Valley shall be retained in perpetuity as a natural wildlife area and shall be used for no other purpose.
5. NSHE Capital Improvement Budget Process
 - a. Each institution will update its master plan every two years and provide the Chancellor and the Regents with a standardized statistical profile describing the physical dimensions of each campus operated by the institution. This profile will include the area (*gross square feet*) by type and age of facility. The Presidents will evaluate the results of this analysis to identify institutional capital construction needs.

- b. The Board of Regents will set priorities for the types of space (*classroom, class laboratory, research laboratory, office, and auxiliary space*) needed by the NSHE.
- c. The Chancellor will apply appropriate NSHE space formulas, including growth in student FTE, to the institutional data to determine the need for space in the Regents' priority areas. Based on the results of these calculations, the Chancellor will propose to the Council of Presidents a capital improvement project list.
- d. The Council of Presidents will review the list and participate in the development of the systemwide capital improvement project request in priority order.
 - i. In developing capital improvement project needs, each institution must provide to the Board of Regents a standardized life-cycle cost analysis for each requested new building.
 - ii. The life-cycle cost analysis must estimate the overall cost of ownership by year consistent with the project's quality and function.
 - iii. The Chancellor shall establish procedures for determining life-cycle cost estimates for capital projects.
- e. The Chancellor will forward a prioritized capital improvement project list to the Board of Regents for approval.

(B/R 4/09)

6. Existing Facility and Infrastructure Needs

Effective with the 2011 capital improvement budget cycle described in subsection 5, every even-numbered year each institution must plan for existing facility and infrastructure needs by requesting funding for capital renewal, plant adaption, and deferred maintenance projects. The budgeted figure for these projects shall be two percent of the insured replacement value for owned facilities five or more years since construction or a major building renovation, excluding storage facilities and auxiliary enterprise buildings (e.g. resident halls and athletic facilities). In calculating the amount budgeted for existing facility and infrastructure, the state revenues request for Higher Education Capital construction (*HECC*) and Special Higher Education Capital Construction (*SHECC*) are in addition to the two percent threshold, and may not be applied to the amount budgeted for this purpose. The Chancellor shall establish procedures to standardize the manner in which projects associated with improving existing facilities and infrastructure are indentified and ranked.

(B/R 4/09)

7. Agreement Between Nevada System of Higher Education and State Public Works Board.

The Chancellor shall establish procedures and divisions of responsibility regarding campus master planning, capital improvement programming, the project design process, construction projects, and for projects financed by non-appropriated funds. (B/R 12/04)

8. Use of NSHE Facilities.

- a. Institutional facilities, including campus grounds, are provided primarily for the support of the regular educational functions of the institution and the activities necessary for the support of these functions. The institution's functions take precedence over any other activities in the use of institutional facilities.

- b. Freedom to speak and to hear will be maintained for students, faculty and staff, and University policies and procedures will be used to provide a full and frank exchange of ideas. An effort should be made to allow a balanced program of speakers and ideas.
- c. An invitation to speak at a NSHE institution does not imply that the NSHE or institution endorses the philosophy or ideas presented by the speaker.
- d. Institutional facilities may not be used for the purpose of raising monies to aid projects not related to some authorized activity of the institution or of institutional groups, and no efforts at conversion and solicitation by uninvited non-campus groups or individuals will be permitted on campus.

(B/R 12/08)

9. Policy Statement Regarding Use of System Facilities for Political Events.

- a. The primary mission of NSHE and its institutions is to educate students. In that regard, we share a common interest in making public facilities reasonably available for first amendment activities, including political candidates and events. In allowing such use, NSHE and its institutions must use care to avoid the appearance of partisanship, i.e. that the institution favors any particular candidate or party.
- b. Single candidate events should generally be expected to pay standard facility use charges, together with any out of pocket costs, such as security, that the institution incurs as part of the event. The institution should seek advance payment of these estimated costs.
- c. Recognized student clubs or faculty groups may sponsor candidate appearances/events if permitted by institution policy, which may result in waiver of facility use charges under institution policy. Any out of pocket costs incurred by the institution should still be paid. Student governments and institutional business or facilities officers should seek to track such appearances and encourage compliance with Section 7(b) above.
- d. The institution may choose to host multi-candidate events as an educational service to the college or university community and the public. At the election of the institution, these events may be without charge to the candidates, whether for use of the facilities or security, as long as the institution makes its facilities available, if requested, on the same basis to all political parties.
- e. Institutions must follow the provisions of Nevada Revised Statutes 293.134 concerning the use of a room or space occupied by State or local government by a state or county central committee.

(B/R 04/09)

10. Disposal of Surplus Equipment

The Chancellor shall establish procedures concerning the disposal of surplus equipment. (B/R 12/04)

11. Equipment Inventory

The Chancellor shall establish procedures concerning the inventory of equipment. (B/R 12/04)

Section 27. Establishment of Checking Accounts

The Chancellor is authorized to establish imprest zero balance checking accounts and to designate signature authority for all such Nevada System of Higher Education accounts at the same bank as the Board of Regents' general account. (B/R 4/84)

Section 28. The NSHE Estate Tax Fund

The establishment and functioning of an advisory committee on the NSHE Estate Tax Fund shall be as follows:

a. Establishment of the Committee

- (1) Regent members should be chosen from different regions of the state.
- (2) Administrators will be appointed before faculty representatives.
- (3) Faculty representatives will be chosen by the senate chairs, with all faculty eligible for membership.
- (4) No administrator and faculty representative may serve from the same campus.
- (5) Neither the two administrators nor the two faculty representatives may be from the same region of the state.
- (6) Neither the two administrators nor the two faculty representatives may be from the same type of institution.
- (7) The student representative will be chosen by student government presidents, with the proviso that no campus and no region may have consecutive terms. It is preferred that the student representative come from a campus not already represented by an official member. Thus, the student representative is to be the last member selected.
- (8) There will be no overlapping terms.

b. Functioning of Committee

- (1) The Committee will select its own chair.
- (2) Campuses not represented on the Committee may appoint an official observer to attend committee meetings. These observers will receive all official Committee correspondence and materials.
- (3) Members may appoint proxies and administrators may send designees to meetings of the Committee.
- (4) All meetings of the Committee shall be open. Minutes will be kept and circulated, and the Chancellor's Office will provide staff to the Committee.
(B/R 1/88)

- (5) The Committee Chair will present Committee recommendations to the Board of Regents.
 - (a) The Committee will review priorities set by the Board of Regents through the NSHE biennial budget request.
 - (b) The Committee will recommend priorities for Board consideration when determining the use of projected estate tax revenues. (B/R 11/96)

Resolution 00-6

- Whereas: In 1987, the Legislature wisely committed one-half of the Federal Estate Tax Credit to Higher Education in the State of Nevada, and,
- Whereas: The Legislature required that the Estate Tax Credit revenue be invested with the endowment fund and accumulated with only limited expenditures until the Estate Tax Fund grew to an amount which would produce \$2.5 million annual income, and,
- Whereas: It appears that the Congress may eliminate or phase-out the Estate Tax, and,
- Whereas: The Nevada System of Higher Education has only a limited permanent endowment for higher education, and,
- Whereas: The expenditures from the Estate Tax Fund have often been used for operating expenses, and,
- Whereas: The Estate Tax Credit revenue has been extremely volatile, and,
- Whereas: The Nevada System of Higher Education has no stable reserves to draw upon during financial emergencies, and,
- Whereas: A permanent endowment for Higher Education is an investment in the future of the State of Nevada.

It is hereby resolved by the Board of Regents of the Nevada System of Higher Education and respectfully requested that the Legislature and Governor respect the following policy with regard to the Estate Tax Fund:

The guiding principle for expenditures from the Estate Tax Fund shall be for special programs and initiatives and not for normal operating expenses with a long-term commitment, which are to be phased out over the next three biennia.

That a permanent endowment of the Estate Tax Fund be established at an initial level of \$100 million and that fifty percent (50%) of all estate taxes received by the system be added to the permanent Estate Tax Endowment.

That an amount of the earnings on the Permanent Estate Tax Endowment no less than the prior year's inflation rate (*multiplied by the permanent Endowment Base*) be added to the Permanent Estate Tax Endowment annually.

That there shall be no expenditures that invade the principal of the permanent Estate Tax Endowment except in the case of an emergency as declared by the Board of Regents.
(B/R 8/00)

Section 29. NSHE Energy and Sustainability Policy

1. The Board of Regents is committed to protecting the environment, reducing the System's dependence on non-renewable energy sources, and promoting the construction, maintenance, and renovation of buildings that are environmentally responsible, economically feasible, and healthy spaces to work and live. Therefore, the Chancellor shall develop procedures and guidelines applicable to NSHE institutions that will address matters including, but not limited to:
 - a.) Leadership in Energy and Environmental Design Green building rating system or an equivalent standard adopted by the Director of the Office of Energy;
 - b.) Energy and water conservation including the minimized use of non-renewable energy sources and the use of local renewable energy sources; and
 - c.) Alternative methods of transportation.
2. The procedure and guidelines developed under subsection 1 must be approved by the Board of Regents.
(B/R 8/06)

Section 30. Environmental Health and Safety Statement

The following Environmental Health and Safety (*EH&S*) Statement is applicable to the entire Nevada System of Higher Education.

2. The development, implementation, and compliance monitoring of EH&S programs is integral to the NSHE mission. The programs will be structured in such a way that they will become an essential part of campus life. It is the intention of the NSHE Board of Regents that the entire NSHE is a good neighbor in its respective communities with regard to EH&S issues. Each campus and facility is encouraged to maintain an environmental health and safety professional as a permanent member of its professional administrative staff.
3. The authority for the development, implementation, compliance monitoring, and administration of EH&S programs is delegated to the President of each institution. Each institution shall develop programs that best address the EH&S issues specific to that institution. Each institution shall develop an administrative structure to implement EH&S programs in a manner that educates all employees and students to provide knowledge and understanding of the programs. These programs should also consider the health and safety of visitors and the preservation of environmental quality. The EH&S programs shall include, but are not limited to:

Biological Safety
Chemical Safety
Diving Safety
Driving/Fleet Safety
Emergency Preparedness, Emergency Response, and Business Continuity/ Recovery
Environmental Protection
Ergonomics
Fire Protection
Hazardous Materials Management
Incident Investigation and Prevention
Industrial Hygiene/Indoor Environmental Quality

Life Safety
Occupational Safety
Radiation Safety
Sanitation

Each institution shall establish oversight, advisory, and compliance programs for monitoring institutional operations and activities, including establishing relations with governmental regulatory agencies.

5. The Board of Regents recognizes the right of NSHE institutions to enter cooperative agreements with each other in order to address all EH&S issues and encourages these activities.

(B/R 12/02)

Section 31. Employee Charitable Donations through Payroll Deductions

1. The Board of Regents desires to provide employees the opportunity to contribute to worthy charitable organizations through payroll deduction in a manner which minimizes disruptions in the workplace, and which does not overburden campus resources. Charitable solicitation campaigns for payroll deduction may be limited to one or more charitable federations at each institution.
2. Each institution shall adopt a policy governing charitable solicitations by payroll deduction in accordance with the following guidelines:
 - a. Only federations with local presence representing ten or more organizations will be allowed to conduct charitable campaigns. No individual organization will be granted access.
 - b. The organizations represented by the federation must be health, education, or human services agencies recognized under Section 501(c)(3) of the Internal Revenue Code and be eligible to receive tax-deductible contributions under 26 U.S.C. 170.
 - c. The federation must distribute at least 70 percent of its total campaign income and revenue to the agencies it supports, and expend no more than 30 percent of its total income and revenue for management, fund-raising, public relations and related overhead costs.
 - d. The organizations represented by the federation must provide services, programs and/or support within the state of Nevada.
 - e. The federation must be audited annually by an independent certified public accountant, and must publish and make available to the general public an annual report of its activities, accomplishments and expenditures.
 - f. The federation and each of its member organizations must operate without discrimination in regard to race, creed, color, age, sex, religion, national origin, handicap, disability or political affiliation.

- g. The federation must honor designated contributions to any 501(c)(3) organizations and may charge a processing fee not to exceed 5 percent plus an amount reflecting the institution's uncollectible rate from the previous year.
 - h. Joint, concurrent or staggered campaigns by federations may be allowed if, in the opinion of the institution administration, they do not disrupt the workplace and do not overly burden the institution.
 - i. Access to payroll deduction by an approved federation may be allowed if the deductions can be accomplished by the payroll system without cost to the institution.
 - j. If, in the opinion of the President, a single campaign is in the best interest of the institution and the institution's employees have the opportunity to donate to member agencies of any other federation, then the President may limit the annual employee payroll deduction campaign to a single federated group. The selected federated group must provide for distribution of donations to agencies of other federations and to any 501(c)(3) organization. The selected federated group must provide reasonable representation in promotional literature and promotional activities for other federated groups that meet the requirements of subsections 2(a-g).
 - k. Other requirements not inconsistent with these guidelines.
3. The Chancellor shall prepare and publish one or more RFP's that include all the requirements set forth herein and other requirements not inconsistent herewith. The Chancellor shall recommend a charitable federation or federations to the Board of Regents to act as the campaign manager or managers for the annual payroll deduction campaigns at system institutions.
4. The provisions of this section are intended to govern charitable donations through payroll deductions only and do not in any way limit or affect the otherwise appropriate and approved access of organizations or groups to institutional facilities.
- (B/R 12/08)