

Prince Mohammad Bin Fahd University

**POLICIES AND PROCEDURES
MANUAL**

PREFACE

The *Policies and Procedures Manual* is designed to serve as the official and only operating reference manual for PMU administrators, faculty, and staff at all levels. The manual provides guidance on both policy and operational issues dealing with campus finance and administration, faculty and staff personnel, students, and buildings and grounds. As a reference to the PMU community, it is intended that the *Policies and Procedures Manual* be a public document readily available on the PMU website or through other public documents for use by all members of the PMU community.

The Policies and Procedures Manual assumes a number of important functions at the university. The manual is based on the understanding that PMU processes will accomplish the following:

- Provide order and structure for common practices and decisions.
- Reflect sound practice in the fiscal, human resources, faculty, and student dimensions of the university, and provide a framework from which other decisions can follow.
- Ensure fair treatment of those who need exceptions or interpretations of the policies of the institution.

This manual is, in fact, a resource designed to guide implementation of policy. As such, it should be viewed as a living document that likely will evolve as the institution evolves. It will require review and modification over the years.

The *Policies and Procedures Manual* is a document that undergoes continuous revision as the Board of Trustees and administrators of the PMU review, modify, approve, and implement the policies and procedures for the wide range of activities that occur in the university.

The manual is to be reviewed periodically.

Dr. Issa H. Alansari

University President

Prince Mohammed Bin Fahad University

Prince Mohammad Bin Fahd University

(Under Registration)

Dammam, Saudi Arabia

POLICIES AND PROCEDURES MANUAL FINAL REPORT

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I. EXECUTIVE SUMMARY

The manual is a guide that defines policies and procedures for the university's students, faculty and staff. This *Policies and Procedures Manual* outlines the policies in four areas of university operations and specifies the procedures required to operate within these policies.

Categories covered by this manual are:

- Administrative and Financial Regulations
- Faculty and Personnel Regulations
- Student Regulations
- Buildings and Grounds Regulations.

Basic assumptions that govern practice in each category are defined, and operational processes are delineated in order to allow the university to make appropriate and timely decisions concerning university business. In many cases, mechanisms that are useful in reviewing exceptions to current policy are noted, and the responsibility of specific staff members in implementing these policies is included.

This manual provides a framework for the unique structure of the PMU and allows all members of the university community to operate self-sufficiently in the university system.

II. UNIVERSITY OVERVIEW

A. INTRODUCTION

Prince Mohammed Bin Fahd University has charted an ambitious course for a university that honors the traditions and culture of the Kingdom of Saudi Arabia while utilizing cutting edge contemporary teaching practices and technology in providing higher education. To this end, it is important to delineate carefully the policies and procedures which will guide the operations of the university for its faculty, staff, and students.

The PMU has set very high goals and standards for its students. These same high standards must be applied in the university's operation to make it both effective and efficient. The policies and procedures noted in this manual provide a set of standards to guide the operation of the PMU from its initial opening day and to assist the university in achieving the vision and mission of its Founding Committee.

B. VISION

The vision of the founders for the university is to be a unique and distinguished higher education institution that participates in:

- Preparing future leaders in various fields of human knowledge and its application.
- Enriching and developing intelligence.
- Exploring innovative methodologies and technologies to achieve its objectives.
- Breaking the barrier between academic and business society.

C. MISSION

The university mission is to achieve the following objectives:

- Contribute to advancement of human intelligence and promulgation and development of knowledge.
- Prepare specialized candidates in various fields of human knowledge through utilizing modern technologies in the education process.
- Transform the graduate to play a pioneering and leading role in the community, enabling him or her to take responsibilities and contribute to solving problems through innovative thinking, collective work, reflection and self-development.
- Link academic programs and specializations with actual requirements of the surrounding work environment. This is undertaken by maintaining effective participation and cooperation between the University and local business firms.
- Guide research activities to create solutions for persistent problems in surrounding communities, through applied research and technical consultation. The importance of performing basic scientific research for enriching human intelligence should not be neglected.
- Provide community service through continuous training and education.

D. DISTINCTIVE PMU COMPETENCIES

Six core competencies have been identified that all graduates of PMU will be expected to acquire. These competencies also should be reflected by the faculty and the staff of the university. These competencies will be a distinctive characteristic of the university. The policies and procedures of the university, like its academic programs, student services, and other programs, should help build these competencies throughout the PMU community. These competencies are:

Communication: the ability to communicate effectively in both English and Arabic in professional and social situations.

Technological Competence: the ability to use modern technologies to acquire information, communicate, solve problems, and produce intended results.

Critical Thinking and Problem Solving: the ability to reason logically and creatively to make informed and responsible decisions and achieve intended goals

Professional Competence: the ability to perform professional responsibilities effectively in both local and international contexts.

Teamwork: the ability to work effectively with others to accomplish tasks and achieve group goals.

Leadership: the ability to be informed, effective, and responsible leaders in family, community, and the Kingdom.

Faculty and staff members play a critical role in applying these important skills and serving as role models as they work with students. This expectation reinforces the learning that students acquire in the classroom and in their assignments. The Policies and Procedures Manual provides the parameters for decision making, and outlines appropriate and ethical behavioral expectations of university officials.

III. UNIVERSITY LEADERSHIP

A. BOARD OF TRUSTEES AND UNIVERSITY COUNCIL

1. Board of Trustees

The Board of Trustees of the PMU has the legal authority to provide for the maintenance, support, and direction of the university. It has broad oversight and control over the organization and its management. Working with the Rector, the Board of Trustees establishes the vision for the university and ensures its fiduciary responsibility. The authority is vested in it to construct, equip, and repair buildings; purchase all supplies; employ, discharge and fix salaries of the Rector and all other employees. It has the authority to promulgate and enforce such rules, regulations, and orders as are necessary for the operation, control and management of the university. It is the court of final appeal for settling any disputes arising within the university.

Membership in the Board of Trustees includes the Rector of the university, five faculty members with the rank of Associate Professor and above appointed by the Minister of Education from universities or other institutions of higher education in the Kingdom, a representative of the Ministry of Higher Education, and 12 members to be chosen by the PMU Founding Committee. (Two of these members must be working or have worked as faculty members in higher education and should not be shareholders or working at the PMU.) Each member serves a renewable, three-year term. The Board reports to the minister of Higher Education.

The Board of Trustees meets at least quarterly to conduct business. It is led by a president and vice president who are elected by the members of the Board. It has three standing committees to which it delegates responsibilities, and through which it conducts its business:

- The Planning and Construction Committee
- The Curriculum Committee
- The Finance and Audit Committee

2. University Council

The University Council serves as an executive committee for the university and the primary advisory group for the Rector. Its membership includes those university administrators reporting directly to the Rector, including the four Vice Rectors, the Associate Vice Rector for the Women's Campus, the university General Counsel and the Chief Information Officer. The University Council advises the Rector on programs, policies, priorities, and budget matters, and it provides feedback on vulnerabilities and issues that the university faces.

B. EXECUTIVE LEADERSHIP

The Rector serves as the Chief Executive Officer of the PMU and is responsible for the strategic direction of all operations. The Rector has responsibility for overseeing the management structure and performance of the entire university. He is responsible for the conceptualization, implementation, and evaluation of academic, personnel, financial, and student life policies of the institution. The Rector reports to the Board of Trustees.

Because of the unique characteristics of PMU, the Rector must focus on external relations rather than detailed management of the university's operation. He must provide vision and leadership and yet be able to delegate to the four vice rectors significant areas of responsibility. The administrative structure, including the University Council, supports this kind of delegation by the Rector.

The necessary qualifications of the Rector require the selection of a highly qualified and experienced higher education administrator with strong leadership and human relations skills. A special committee constituted from the Board of Trustees should be charged with the selection of the Rector. A thorough search should be conducted including widespread advertisement of the position in higher education employment vehicles. In addition to Board members, leaders in the community should be invited to participate in the search and should interview candidates for the Rector position. The Rector should be named well in advance of the university's opening so he can exercise his vision and leadership from the very beginning and so he can be involved with the initial selection of faculty and staff for the university.

IV GENERAL REGULATIONS

A number of policies will apply throughout the PMU community and will be equally applicable to all employees, whether faculty or staff.

A. CONFLICT OF INTEREST

The following standards of conduct will apply to employees of the PMU.

Influence: No employee shall accept or solicit any gift, favor, or service that might reasonably tend to influence him or her in the discharge of official duties or that the employee knows or should know is being offered with the intent to influence his or her official conduct.

No employee shall intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his or her official powers or performed his or her official duties in favor of another.

Confidentiality: No employee shall accept employment or engage in any business or professional activity which the employee might reasonably expect would require or induce the employee to disclose confidential information acquired by reason of his or her official position.

No employee shall disclose confidential information gained by reason of his or her official position or otherwise use such information for his or her personal gain or benefit.

Personal gain: No employee shall transact any business in his or her official capacity with any outside business entity of which the employee is an officer, agent, or member, or in which the employee owns a substantial interest.

No employee shall make personal investments which could reasonably be expected to create a substantial conflict between the employee's private interest and the university's interest.

Judgment: No employee shall accept other employment or compensation which could reasonably be expected to impair the employee's independence of judgment in the performance of the employee's duties to the university.

B. USE OF UNIVERSITY PROPERTY

University property must be used only in the performance of university business, and may not be loaned to individuals, organizations, or faculty and staff members for personal use.

Personal use of university property is prohibited.

E-mail, telephone, Internet: Incidental use of university e-mail, a telephone to make a local call, or the Internet is permissible, provided that the use complies with university policies and does not result in additional cost to the university.

Removal of property: University property should not be removed from university premises for purposes other than university business. When it is necessary to remove university property from university premises for official business reasons other than in connection with normal routine operations, the department head should secure and maintain a temporary receipt from the person having custody. The receipt should be returned to the person upon return of the equipment to the department.

Software: Employees who use software licensed to the university must abide by applicable software license agreements and may copy licensed software only as permitted by the license.

Computer resources: An employee of the university shall be allowed to use computer resources in accordance with this and other applicable university policies. Incidental personal use of computer resources by employees is permitted. Such use will be subject to review and reasonable restrictions by the employee's supervisor; in compliance with adherence to applicable university policies and national law; and must not interfere with the employee's accomplishment of his or her job duties nor result in any additional costs to the university.

Students, including registered students as well as incoming students who have paid their fees, shall be allowed to use the university's computer resources for school-related and incidental personal purposes, subject to this policy and other applicable university policies; national and local law; and as long as personal use does not result in any additional costs to the university.

Personal gain: Transmitting to outsiders or otherwise using for personal gain university funded or supported property, work products, results, materials, property records, or information developed with university funding or other support is prohibited.

Using for personal gain or other unauthorized purposes, confidential or privileged information acquired in connection with the individual's university supported activities is prohibited.

Exceptions: Deviations from this policy require written approval of the appropriate vice rector.

C. UNIVERSITY TRAVEL

1. Authorizing Travel

Individuals traveling on university business should do so only after prior approval of appropriate officials. The Delegation of Authority policy designates the appropriate officials to authorize travel by faculty, staff, and students. These designated officials must ensure compliance with all travel regulations.

All travel vouchers submitted for employees require dual signatures before they will be paid. Dual signatures are the traveler and one individual authorized to sign on the account being charged. Any international travel requires prior approval by the traveler's dean, director, or department head, and the appropriate vice rector. Foreign travel to be paid from grant or contract funds must also be approved by the Vice Rector for Finance and Business affairs or his designee.

Requests for authorization to travel must show the purpose of the trip, destinations, length of travel status, dates and time of departure and return, and mode of transportation.

Deans, directors, department heads, and others authorized to approve travel requests will only approve travel that is necessary for the proper execution of official university business, or in justifiable pursuit of the university's educational and research objectives. Meetings and conferences to be attended must be of a professional nature directly associated with the individual's duties and role within the university.

2. Other Travel Topics

For information on reimbursement for travel, student travel, and other topics related to travel in conjunction with university business, see section V. J, University Travel.

D. RETENTION AND DISPOSITION OF RECORDS

The PMU should make and preserve records that properly document the organization, functions, policies, decisions, procedures, and essential transactions of the university. Documents that protect the legal and financial rights of the university should be preserved. Safeguards against the illegal removal, loss or destruction of records should be established. Only essential records should be created. Records of continuing value should be preserved, while records of temporary value should be promptly and systematically disposed of after they serve their purpose.

NOTE: Once the appropriate university leadership has been hired and has begun work, further policies and regulations will be developed concerning retention and disposition of records.

1. Creation of policies

This policy is provided to assist departments in maximizing effectiveness and efficiency of file maintenance by setting forth policies pertaining to the retention and disposition of university documents and records. The accumulation of non-current documents and records not only reduces the utility of filing systems but also results in considerable storage expenses throughout the university. This policy represents requirements for:

- identifying and systematically disposing of records of temporary value.
- identifying and preserving records of permanent or long-term value in storage.
- establishing a records management program to ensure the prompt transfer of non-current records through storage in a records center and the subsequent disposition of university records according to approved records retention and disposition schedules.

Documents and records within the university must be retained in a manner which provides for access by faculty and staff in carrying out their normal job assignments and responsibilities and reasonable protection against loss, destruction, or theft. University records should remain on the premises at all times.

2. Responsibility

The Vice Rector for Finance and Business Affairs is responsible for defining minimum retention periods for most common university documents and records. The list will not be all-inclusive and should be used as a guide.

The Rector, vice rectors, deans, directors, and department heads are responsible for maintaining an adequate filing system and for coordinating with the university librarians to ensure the proper disposition of historic records.

The responsibility for transferring records to storage facilities is that of the appropriate dean, director or department head.

3. Permanent Records and Documents

Certain original documents and records within the university contain information which is vital to ongoing and future operations and must be maintained in perpetuity. Documents and records which must be retained on a permanent basis generally pertain to student academic records, personnel and payroll records reports of legal value, investment records, mortgages, deeds, and original minutes of the Board of Trustees.

As all paper records deteriorate over time, records considered to have permanent value should be converted to a more permanent media whenever possible. Permanent records should be maintained in an environment which is free from excessive temperatures and humidity, vermin, flooding, unusual amounts of dust, fire hazards, and unauthorized access.

Once documents and records are converted to some other compact storage medium using the latest technology, it is usually not necessary to retain both the original hard copy and the stored record. Retention of original records which have been converted to some other compact storage medium are left to the discretion of the department, provided the storage medium is retained in accordance with the specified minimum retention period as required by university policy.

Disposal of university documents and records is permitted provided the stated minimum retention period as set forth in university policy has elapsed, and it is determined the records are not necessary for future departmental reference use. An annual appraisal should be performed by the department head to determine the value or usefulness of existing records.

E. PUBLICATIONS

This policy sets forth standards for maintaining a consistent, university-wide visual identify program in all promotional and informational communications.

NOTE: This policy does not include student publications or academic publications.

1. Need for consistency

It is the policy of PMU that all visual communications that bear its name be consistent with uniformly high professional standards in content and appearance. This includes all colleges, schools, departments, and units of the university.

A logo or symbol, along with certain other graphic elements, serves as an external, visual representation of an organization. Consistent use of a single, strong image creates a visual identity, building recognition for the organization and contributing to brand development, from which the public may gain a sense of the organization's standards of quality. A brand extends beyond logos and graphics; it is more importantly about the special relationships the organization has with its customers (students and prospective students, community members, donors, and others), and how those relationships are realized. The ability to build a strong brand for the university is essential to successful recruiting, fund raising, and marketing.

2. Use of the PMU Logo

Using the official university logo eliminates the confusion of different visual messages. No other graphic treatments should be presented as logos of the university.

The university logo should always appear on the following university publications:

- recruitment material for students
- catalogs and class schedules
- external publications
- college and department newsletters
- university forms
- development publications
- university policy publications
- university stationery and business cards
- recruitment materials for faculty and staff
- all advertising
- all Web sites

Requests for approval for exceptions to this policy should be approved in advance by the Vice Rector of Institutional Relations.

F. CONTINUING AND PROFESSIONAL EDUCATION

One of the stated missions of the PMU is to provide community service through continuous training and education. PMU is an institution uniquely designed to work closely with the community in partnership on academic programs. Research and continuing education are extensions of these relationships. These educational activities may be organized under different program instructional formats: for example, workshops, seminars, conferences, institutes, symposia, colloquia, or short courses, all with the focus of imparting information to citizens and groups in a quality, structured manner.

1. Objectives:

The PMU will provide continuing education and research services to the Eastern Province in order to meet a number of stated goals:

- a. Develop and deliver programs that improve skills and productivity in the region's workforce.
- b. Support the development of education credentials and standards that respond to the needs of the workforce.
- c. Disseminate research findings throughout the Kingdom and beyond.
- d. Provide an array of learning opportunities across a broad spectrum for the public.

2. Program Support

Continuing and professional education programs will be supervised by the Director of Research Development and Continuing Education. He will take responsibility in planning, developing, promoting, and implementing all fiscal, business and administrative aspects of the continuing and professional education programs. In conjunction with business and university leaders, he will develop appropriate courses and will identify and hire qualified faculty. The director will also maintain records related to completion of continuing education courses including those required for certification or licensure. He will also conduct comprehensive and ongoing assessment of continuing education and professional activities.

Continuing and professional education programs should be self-supporting. Consequently, programs offered must recover the direct costs of the program (including instruction, materials, brochures, postage, certificates, and other items) plus administrative costs that the university incurs to oversee these programs. These costs can be determined as the university approaches its fifth year of operation when continuing and professional education programs are scheduled to commence.

V. ADMINISTRATIVE AND FINANCIAL REGULATIONS

A. INTRODUCTION

The policy of the university is to conform to all statutory and official requirements, while simplifying routine procedures which might otherwise become burdensome and time-consuming. The purpose of these regulations is to provide statements of policies and procedures for overall guidance in conducting administration, business, and financial operations; and to provide specific instructions and guidelines for those personnel who are responsible for preparation of the various documents involved in the administrative, business, and financial processes.

1. Responsibility

Responsibility for the publication and distribution of the administrative and financial regulations are assigned to the Vice Rector for Finance and Business Affairs. This office will ensure new or modified policies and procedures are updated as needed.

2. Authority of the Vice Rector

The Vice President for Finance and Business Affairs should be empowered to act for the PMU concerning a variety of legal, financial, personnel, and facilities issues.

Recognizing that the Board of Trustees gathers in session at infrequent intervals, the Board should grant to the Vice Rector for Finance and Business Affairs, acting in his official capacity, the authority to

- Convert, transfer, assign or otherwise dispose of securities of the PMU and of the Board whether said securities were received by the university by gift, purchase or otherwise.
- Execute the assignment of stock in behalf of the PMU and of the Board of Trustees.
- Open accounts in the name of and for the benefit of the PMU at banking or other financial institutions as might be necessary to efficiently and effectively conduct the business and financial matters of the university.

The Board of Trustees of the PMU should periodically confirm and ratify all proper actions taken and otherwise performed by the Vice Rector for Finance and Business Affairs pursuant to delegations of authority approved by the Board.

The Board of Trustees should confirm that the Vice Rector for Finance and Business Affairs is the chief fiscal officer of the university, appointed by and serving under the Rector of the university and responsible for specific financial, planning, budget, business, facility, and administrative functions as designated by the Rector.

The Vice Rector for Finance and Business Affairs should be designated the custodian of the deeds, monies, and securities of the university. He should be responsible for the proper application of the principal and income of all gifts, bequests, devises, and trust funds held by the university for restricted purposes.

The Vice Rector for Finance and Business Affairs (or whomever may be designated in his absence) should be authorized to execute in the name of the PMU contracts and other instruments in writing pertaining to matters committed to his charge by Board of Trustees resolutions or by action of the Board.

B. ACCEPTANCE AND ADMINISTRATION OF CASH

1. Accepting and Transmitting Cash

All payments received on behalf of the university must be promptly deposited to the credit of a university account. All monies received must be deposited intact and inclusive of all receipts on hand. No expenditures may be made from cash receipts, and no receipts may be retained within a department for departmental use.

All areas receipting funds daily should deposit or transmit to the Bursar's Office such funds daily. University funds received less frequently than daily should not remain in any unit longer than three business days prior to deposit or transmittal.

Departments receiving monies on behalf of the university are responsible for maintaining the same degree of security when transferring a deposit from one location to another as is required when monies are handled by employees at their regular places of employment.

Each employee handling cash should ensure that

- Deposits are not mailed through inter-office mail.
- Security of cash is maintained at a maximum when extra large sums are handled.
- Adequate security is provided when transferring cash to other offices or banks.
- Bank transfer bags are kept locked, and opened only by authorized persons.
- Bags containing cash are never be left open in vaults or safes.

No organizational unit, department, or administrative office has authority to open an account and deposit university funds in a commercial bank, or any other financial organization, except when specifically authorized, in writing, by the Vice Rector for Finance and Business Affairs.

Procedures for handling funds should be distributed to all collection points within the university. Employees handling cash should be bonded consistent with university and any external regulations.

2. Receipting and Depositing Procedures

All departments or activities regularly receiving cash in routine operations must record each transaction in a pre-numbered receipt book, a receipt log, or record the transaction on a cash register in the presence of the customer or payer. A receipt must be delivered to the payer. When payment is received by mail, a receipt is not returned. This procedure may vary within departments. Receipts (other than from a cash register) should include the name of the payer, date of receipt, amount of payment, purpose of payment, account number to be credited, initials of the person receipting monies, and the form of payment (currency, coin, check, or credit card).

When making a deposit, the receipt numbers should be noted on a deposit transmittal with a total and date of deposit. When receipts are voided, all copies of the voided receipt must be maintained on file, properly explained and clearly marked “void.”

Departments or activities that issue receipts occasionally and do not maintain a receipt book should not accept currency payments but should direct the payer to the Bursar’s Office to obtain a receipt. Lists or logs should be made containing the date received, amount of payment, and maker of payment.

Funds received by departments should be taken to the Bursar’s Office accompanied by a transmittal report. When funds are deposited, the transmittal report should include:

- Date the transmittal report is prepared.
- Name of the department making the deposit.
- Name of the person making the deposit.
- Account number to which the funds are to be credited.
- Amount of currency and coin to be deposited.
- Receipt numbers included in the deposit.
- List of checks if appropriate.
- Amount of each transaction.
- Signature of the person verifying the correctness of the transmittal.

All checks representing a payment to the university should be made payable to Prince Mohammad Bin Fahd University. Checks should not be made payable to departments, department heads, or any university official or employee. Checks should be restrictively endorsed immediately upon receipt for deposit or transmittal.

When a department uses a cash register to record funds, the daily register tapes with totals must agree with the amount deposited as shown on the transmittal report and/or deposit slip forms. The daily record of transactions should be represented by a file of the cash register tapes and copies of receipt transmittals or deposit slips.

No separate funds (other than official petty cash funds) may be maintained in any department unless approved in writing by the Vice Rector for Finance and Business Affairs.

Cash overages and shortages must immediately be reported to the supervisor by the employee who is handling the cash. Overages and shortages beyond a limit as set by the Bursar must be reported to the Bursar.

Duties of employees should be appropriately separated relative to accounts receivable and cash receipting procedures such as receiving, recording, recordkeeping, depositing, and reconciliations. No one person should be responsible for all functions.

3. Custody and Security of Receipts

The requirement for proper handling, physical security, and adequate records should be stressed with each employee having access to, or responsibility for, cash or merchandise. It is important that thorough training and instruction be provided to each employee and that procedures and policies be adhered to closely. This will ensure established controls and security measures will effectively protect both the university and the employee.

Department heads are responsible for ensuring that proper safekeeping facilities are available and proper safeguards are taken to protect official funds until deposited or transmitted to the university office designated for that purpose. Written policies and procedures should be available to each employee.

4. Petty Cash

Advances of petty cash will not be granted, nor will expenditures be reimbursed, unless the advance is officially requested and approved and reimbursements submitted in accordance with university regulations. Department heads should ensure that all individuals in his or her department using petty cash or involved in processing reimbursement requests are thoroughly familiar with the relevant university regulations.

A petty cash fund is designed to meet the needs of certain departmental operations for off campus cash purchases of emergency minor items and/or change funds. A written request to establish a petty cash fund must be submitted by the department head to the Bursar. The request must include proper justification for establishing the fund, the amount needed, and the department or unit head who is responsible and accountable for proper fiscal and physical control of the fund.

The custody and control of petty cash funds may be delegated to appropriate personnel. However, accountability and responsibility for proper use and care of the funds remain with the designated department head. Upon this person's termination of employment with the university or the department, the funds should be transferred or returned to the Bursar. The funds should be verified prior to the exit of the fund's custodian or department head. The new department head should notify the Bursar in writing of his or her intent to assume responsibility for the departmental petty cash fund, indicating the amount of the fund.

No organizational unit, department, or administrative office has authority to establish a petty cash fund, except when specifically authorized, in writing, by the Vice Rector for Finance and Business Affairs or his designee for this purpose.

5. Accounts Receivable

Departments which regularly have outstanding accounts receivable must keep adequate documentation. Individual account balances must be maintained, as well as a control system for determining current totals and for balancing individual accounts.

In addition to the above, internal control over accounts receivable requires:

- Periodic review and aging of delinquent accounts.
- Handling of disputed items by someone other than the cashier.
- Proper approval to pay a credit balance or to make any credit adjustment to the account balance.
- Diligent effort to collect all accounts outstanding.

- Regular billings to all customers on account.
- A separation, where possible, of duties of the accounts receivable function from the cash receipting function.
- That routine collection procedures be in writing.

To effectively control and reduce the amount of outstanding accounts receivable once all collection efforts have been exhausted, an itemized list of uncollectible accounts deemed appropriate for write-off can be submitted for approval to the Director of Budget and Accounting Services. The list of uncollectible accounts must be accompanied by a letter of justification for the write-off request and the extent of collection efforts.

C. ACCEPTANCE AND ADMINISTRATION OF GIFTS

This policy sets forth basic policies of the university that are applicable to the acceptance and administration of gift funds received from outside donors to support instructional, research, public service, student aid, or other recognized university functions or objectives.

Since there is a wide variance in the volume of gift transactions and funds, written procedures are necessary for the maintenance of adequate control of such funds within the framework of the basic policies and procedures of the university.

Such policies and procedures must provide for sufficient prior review to ensure all personnel responsible for the commitment of university resources (personnel, facilities, and equipment) and the administration and servicing of proposed gift agreements, are fully cognizant of obligations to be incurred. Provisions in the policies and procedures for the types of gifts accepted and restrictions honored by the university must be approved by the Vice Rector for Institutional Relations and the Vice Rector for Finance and Business Affairs.

1. Clarification of Terminology

The term “gifts,” “grants,” “cooperative agreements,” and “contracts” are often used synonymously and are grouped together in source classification of institutional funds. However, in view of the considerable differences in policies pertaining to acceptance procedures and program administration, the following general distinctions will be observed.

Gifts. This term designates funds or property voluntarily bestowed upon the university without expectation of return or compensation on the part of donor. For institutional accounting and administrative purposes, “gifts” are classified into the following two main categories:

Unrestricted Gifts. This term designates gifts upon which the donor has not placed definite restrictions as to method or purpose of expenditure, therefore leaving the determination of the appropriate use of such funds to the university. This term may also be applied to gifts received under a continuing solicitation program for general support of an institutional activity.

Restricted Gifts. This term designates gifts upon which the donor has identified definite restrictions on the purpose for which or the conditions under which such funds may be expended or disbursed. The university will make every effort to fulfill that purpose and conditions.

Grants and Contracts. The distinction between “grants” and “contracts” is less pronounced than between these terms and “gifts.” In many cases, the distinction depends only on whether the sponsor or grantor designates the governing document as a “grant” or as a “contract.” General definitions are as follows:

Grants. Funds received from outside sources for the purpose of supporting the public service, research, or instruction functions in a specific area of mutual interest to the institution and the grantor. The governing documents furnished by the grantor at the time of such grant awards usually designate the funds as “grants” and specify the degree of accounting and reporting obligations on such funds.

Contract Funds. Funds received by the institution for specific services rendered to agencies, corporations, or others under negotiated contracts. These contracts are formal written documents which specify the rights and obligations of the parties involved.

Cooperative Agreements. A “cooperative agreement” is the appropriate relationship between a governmental agency and a recipient when the principal purpose of the relationship is to transfer money, property, services, or anything of value to the recipient in order to accomplish a public purpose. The purpose may be categorized by:

- Support or stimulation authorized by governmental statute, rather than acquisition.
- Purchase, lease, or barter, of property or services for the direct benefit or use of the governmental entity.
- Substantial involvement between the agency, acting for the governmental entity, and the recipient during performance of the contemplated activity.

2. **Responsibility**

No solicitation of gift funds or property shall be made by anyone in the name of, or for the benefit of, the university without the prior approval of the Rector or his designated representative, the Vice Rector for Institutional Relations. By administrative authority, all fund-raising activities of the university and its units are under the administrative supervision of the Vice Rector for Institutional Relations.

Any dean, director, faculty, or staff member who wishes to undertake any type of fund-raising program or solicitation of contributions in the name of the university from alumni, business, industry, foundations, or friends, or who seeks to establish a fund-raising program, shall follow the guidelines established for this purpose by the Vice Rector for Institutional Relations.

The Board of Trustees should establish minimum gift requirements and other restrictions to establish endowment funds.

3. **Documentation**

To ensure appropriate accounting treatment and administration of gift funds in accordance with the wishes of, or agreement with the donor, departments must furnish the Vice Rector for Institutional Relations with the official agreement or written documentation which designates the purpose or restrictions on the use of such funds. Such documents, information, and requests for account numbers will then be directed to the Vice Rector for Finance and Business Affairs. Appropriate account numbers cannot be assigned prior to receipt of this information, and such information is required for the permanent document files on each such account.

4. **Accounting Treatment of Gifts**

Generally accepted accounting principles require “unrestricted gifts” be accounted for by the institution as revenue of Current Funds. Such funds may be budgeted, appropriated, and expended for any appropriate institutional purpose through the institution’s normal fiscal procedures.

Restricted gift monies available for current expenditure in accordance with the purpose designated by the donor will be credited to an appropriate restricted account within the specified college or department.

The donor’s written communication at the time of gift determines the placement of the funds and how the funds can be spent. If the donor does not clarify his or her intent upon donation of the gift, the funds are considered totally unrestricted. If the donor restricts the donation, then the funds are placed in an appropriate restricted account.

D. ADMINISTRATION OF INVESTMENTS

1. Responsibility

The responsibility for managing the university's investments ultimately rests with the Board of Trustees. This responsibility is delegated to the Finance and Audit Committee of the Board.

The Vice Rector for Finance and Business Affairs should be empowered by the Board of Trustees to transact certain custodial and disposition responsibilities for investments received by the PMU. To ensure the proper separation of duties for investments, the Vice Rector for Finance and Business Affairs should delegate investment functions to appropriate areas within the Finance and Business Affairs organizational unit.

The Vice Rector's responsibilities should include recommendation of and compliance with procedures used in making portfolio decisions; the criteria for accepting investments; the degree of concentration or diversification of the investment portfolio; the degree of risk-taking, the expected performance during market rises and declines; the changes in policy and methods of operation during reporting periods; and adherence to stated objectives and institutional policy.

The Vice Rector's responsibilities for supervising the portfolio should also include recommending changes or modifications in investment policy and monitoring investments in the portfolio through review of information developed internally, and from other sources such as investment bankers, brokers, and other advisory sources.

The Vice Rector for Finance and Business Affairs will report to the Board of Trustees' Finance and Audit Committee on past and expected investment performance, proposed changes in investment policies and procedures, and other investment matters as required by the Board of Trustees.

NOTE: Once the appropriate university leadership has been hired and has begun work, a comprehensive policy will be created regarding authority over investments.

2. Investment Policy

Because of the diverse nature of the funds coming under the management and control of the Board of Trustees and the corresponding operational needs of the campus, the Investment Policy of the Board of Trustees should separate funds into investment categories; that is operational investments consisting of relatively short-term investments and permanent investments consisting of relatively long-term investments.

The Investment Policy should address current funds, agency funds, and endowment funds. The Investment Policy must balance institutional needs with the need to preserve principal, the need to produce income to meet operational needs while preserving future purchasing power, and the need to address the issue of market risk.

The Investment Policy, which details investment managers, investment goals, and performance criteria, must be reviewed periodically by the Board of Trustees.

3. Spending Policy

The Spending Policy adopted by the Board of Trustees will specify the amount of income that can be utilized for current operations. Such a policy must balance current needs with the preservation of future purchasing power.

4. Reporting

Guidelines will be established by the Board of Trustees for the frequency and recipients of investment reports, and the investment performance measurement and evaluation by which results will be compared.

E. ADMINISTRATION OF PAYROLLS

Administration of the departmental personnel and payroll functions concerning employment authorization, time reporting, check distribution, and payroll reconciliation is important to ensure proper and timely payments to faculty, staff, and students, and to safeguard university resources through a system of internal control.

1. Responsibility

Departments must maintain an adequate system of internal control over all personnel and payroll functions. One basic technique for maintaining control is to separate the responsibility for the four basic personnel and payroll functions of employee appointment, time reporting, check distribution, and reconciliation. These functions should be assigned to four different individuals whenever practical.

Each department is responsible for ensuring all its employees receive their pay either by check or direct deposit into a bank account specified by the employee.

2. **Appointments**

Departments are responsible for selecting individuals to be hired for approved positions in compliance with university policy and governmental statutes.

Appointment papers should be prepared and started through channels upon hiring an individual. All appointment forms must follow the internal approval process established by the department or college. Typically, this includes the department head, dean, and any other administrator involved.

3. **Time Reporting**

Departments are responsible for submitting all required payroll documents in a timely manner as required by university procedures.

4. **Check Distribution**

Every effort must be made to locate and deliver checks to all employees, including students. Payroll checks not picked up or delivered after serious efforts to contact each employee should be returned to the appropriate university office within two weeks of payday. Returned checks must be accompanied by a list of the checks returned showing department name, employee name, and check number for each check. Departments should retain a copy of this list.

The department responsible for payrolls maintains a file of persons authorized to pick up payroll checks for each department or college. For internal control, the person signing or preparing payroll should not be authorized to pick up checks. If all authorized persons are unavailable, a substitute may be authorized, on a temporary basis, to pick up checks.

5. **Payroll Reconciliation**

Departments are responsible for reconciling payroll vouchers and time reports each payday. A summary of the payroll should be signed by the department head or approved designee and retained in the department as evidence proper review and reconciliation of charges has been accomplished.

Since time reports could be fraudulently altered after departmental approval, a thorough reconciliation of departmental records and related payroll documents is necessary. The total hours, amount paid, hours of sick leave, annual leave, and compensatory time should all be verified for each employee.

F. ADMINISTRATION OF UNIVERSITY BUDGET

The budget of the university is the approved formal plan for financing the academic and support programs for the fiscal year. It is the best practical approximation of a formal model of the total university via its objectives, its inputs, and its outputs. When properly administered, the budget provides performance criteria, compels planning, and provides communication and coordination. To assess the efficiency of the university, the budget is compared to actual expenditures and revenues to compile departmental, college, and university performance reports. To ensure the compilation of accurate performance reports at year end, departments should not submit budget amendments to redistribute the original budget from one object code classification to another. Accordingly, departments should not revise original budgets to reflect actual revenues and expenditures in anticipation of year end closing.

The university's system of budget development and management should treat major budget entities such as colleges as Budget Centers with the discretion to allocate resources to meet changing needs. The delegation of budget authority needs to be encouraged along with sound fiscal management and the provision for incentives for sound decision making concerning the utilization of resources. Within the policies and regulations of the Board of Trustees, and under the supervision and direction of the Rector, each vice rector should be delegated responsibility to administer their respective operating budgets and monitoring expenditures consistent with the approved budget.

The respective vice rectors must ensure that

- Funds are used for the purpose they were allocated.
- The Rector or the Vice Rector for Finance and Business Affairs gives prior approval to commitments made to external agencies that commit resources beyond the current fiscal year budget
- Permanent commitments from temporary funding sources that presume an automatic increase in budgets the following year do not occur.

The budget is prepared prior to the beginning of each fiscal year, and is approved by the Rector and the Board of Trustees prior to its implementation.

1. **Budget Preparation**

An internal budget process must be developed to distribute educational and general revenues based on departmental requests for resources to support their programs. Such allocations should be made in a manner that ensures a distribution of funds consistent with sound educational planning and with the institution's overall goals and objectives.

The budget process will be initiated with the development of income and expense forecasts by the Vice Rector for Finance and Business Affairs and his staff. These forecasts, once approved by the Board of Trustees, will be used by the Budget Office to prepare the fiscal year budget that will be presented to the Board of Trustees for final approval.

The Budget Office will issue budget instructions every year which detail the budget process and contain specific instructions for completing appropriate documents.

Individual units must accept responsibility for decisions and their budgetary and accountability implications. Mechanisms must be developed that recognize the full cost of new programs prior to implementation. To be held responsible, departments must have the discretion to reallocate resources if they desire to implement new initiatives.

2. Budget Management and Control

After the internal budget process has been used to allocate funds to the designated campus entities, the deans and vice rectors are responsible for distributing those funds to departments within the respective areas of responsibility.

Budget administration, including policies and procedures concerning budget amendments, must be documented. Budget details should be distributed to campus departments along with information concerning any restrictions that impact departmental flexibility. Monthly reports as to budget status should be distributed to campus departments.

Departments may amend budgets during the fiscal year with the requirement that the net changes equal zero for educational and general accounts. Budget amendments should be made as necessary in a timely manner during the fiscal year.

There should not be external pressure applied from either the Board of Trustees or other external agencies to direct how funds are expended once the budget is approved by the Board of Trustees.

G. ADMINISTRATION OF DISBURSEMENTS

The PMU receives a myriad of funds from many different sources. To provide proper control, policies governing the expenditure of these funds must be clearly understood, applied consistently yet not too inflexibly, and maintain accountability for expenditures. In many cases the rules governing the expenditure of these funds are derived from laws and regulations and from written and verbal interpretations from governmental authorities. Discretion and good judgment should be used to determine expenditures appropriate for payment. Documentation of expenditures should be explicit.

1. Responsibility

University departments are responsible for assuring that expenditures made from the accounts for which they have delegated responsibility are reasonable and necessary, consistent with university policies and practices, and consistent with restrictions specified by sponsors or donors.

Every disbursement document received for the expenditure of departmental funds must bear the signature of someone specifically authorized to commit the funds identified by the unit number of the account number. Unless otherwise provided by written authorization, vouchers for the expenditure of departmental operating funds must be signed by the unit head or the departmental designee in accordance with the university policies and procedures for such activity.

Prior to submission for payment by departments, an invoice should be compared with the purchase order to verify the price. Extensions and additions as shown on the invoice must be verified for accuracy. If errors are discovered, the Controller's Office should be notified and instructions requested for proper processing. Appropriate discounts must be taken. The name and account number of the department or account to be charged must be plainly indicated on the invoice. The proper object classification code must also be shown. The invoice must be approved by the person properly authorized to approve payments for the department or account. The use of a stamp facsimile signature or the use of initials as evidence of authorization and/or approval to expend departmental funds does not constitute a "live" signature, and is, therefore, not authorized.

Upon approval, the original invoice should be promptly submitted to the Controller's Office for payment processing.

The approval of an invoice constitutes certification to the Controller that:

- The merchandise or service covered by the invoice has been received in acceptable condition and in conformity with specification.
- Prices, discount and delivery terms detailed on the invoice Conform to those stated on the purchase order.
- The invoice is an original invoice, unless otherwise indicated, and the merchandise or service has not been paid for previously.
- The extensions and totals on the invoice are correct.
- The account shown to be charged is the proper one and funds are available therein for the payment.
- The payment is in order.

2. Method of Payment

Payments for services, materials, equipment and other capital assets, including interdepartmental transactions and purchases by the university from governmental agencies will be accomplished by a number of methods including checks drawn from university accounts for payable, travel, and payroll obligations.

Interdepartmental transactions are ordinarily accounted for as an increase in expenditures of the department receiving the materials, services or capital assets and as a decrease in expenditures of the transferring department. Typical examples are sales and services of service departments, central stores sales, and transfers of material and equipment from one department to another.

The Controller's Office will make payment for materials and services from outside sources only upon receipt of a vendors' original itemized invoice properly approved by authorized personnel. Payment will not be made on statements except in instances of daily or frequent deliveries where each amount appearing on the statement is supported by an attached and itemized delivery ticket. Invoices may not be approved for payment prior to receipt of the material or services.

Vendors expect the university to make prompt payment of its obligations. Departments, having received material, have a responsibility to follow through to ensure invoices are processed for payment promptly.

Normal routing procedures for invoices call for them to be sent by the vendor in duplicate to the ordering department. After proper processing and approval, the original invoice is delivered to the Controller's Office for payment processing, and the copy is retained for departmental files.

Invoices carrying cash discount terms should receive special processing if necessary in order to permit payment to be made within the discount period.

3. Electronic Signature

Users of university financial systems will identify themselves to these systems using approved secure authentication methods. In addition to such system independent authentication methods, financial systems may have system specific authentication methods. Regardless of the authentication method, authentication using any of the approved methods is the electronic equivalent of an employee's hand written signature, and may be used as an "electronic signature" in electronic applications.

Only the person to whom authority is delegated, as authorized by university policy, may authorize a transaction either manually or electronically.

H. PURCHASE OF SUPPLIES, EQUIPMENT AND SERVICES FROM OUTSIDE VENDORS

For purposes of efficiency in administration and management, the responsibility for purchasing supplies, materials, and equipment from outside vendors for all university departments (including research projects) will be centralized in the Purchasing Office reporting to the Director of Budget and Accounting Services.

NOTE: Because of the cultural, internal control, and technology environments faced by different institutions, it is standard practice for universities to create customized forms for use in business operations. Once the appropriate university leadership has been hired and has begun work, PMU officials will create forms best suited to the university's needs.

The development of the MIS System should include electronic versions of the forms necessary to requisition, purchase, and pay for goods and services required by the institution. A sample of business forms created by U.S. universities is provided in Appendix F.

1. Responsibility

No obligation for purchases shall be entered into without authorization of the Purchasing Office. The university will not assume responsibility for the payment of purchases other than those made through established procedures.

The general responsibilities and functions of the Purchasing Office are as follows:

- To purchase supplies, materials, equipment, and related services for the various departments of the university so maximum value is obtained for every amount spent.
- To assist in expediting the delivery of materials to meet the requirements of the user departments.
- To handle complaints, claims, and adjustments, and to negotiate for the return of materials or arrange for other settlements.
- To handle all correspondence with suppliers relating to quotations and purchase orders.
- To set up standard specifications for materials and supplies commonly used on the campus.
- To ensure specifications are worded to support competitive bidding.

- To consolidate purchases wherever possible and thus obtain quantity discounts for volume purchases.
- To enter into requirements contracts with vendors where correspondingly favorable prices are to be obtained.
- To furnish, upon request, prices or estimates of cost of materials and supplies to departments.

University personnel who are responsible for writing specifications, awarding contracts, and making recommendations or who are in any way connected with requisitioning or procurement of equipment, supplies, and services used by the university shall not solicit nor accept, under any circumstances, any discounts, personal gifts or gratuities, or travel, meal, or lodging expenses from a vendor which might in any way influence the selection or purchase of such materials or services.

Vendors who are doing or seeking to do business with the university are prohibited from offering or providing discounts, personal gifts or gratuities, or travel, meal, or lodging expenses to university employees or officials, even if the expenses are incurred as part of the employee's or official's responsibility to inspect or observe the vendor's products in operation unless such travel costs are specifically provided for in the procurement solicitation.

Departments exercising delegated procurement authority will be responsible for observing all university policies and procedures related to purchases, and to observe all laws and regulations that apply to such transactions.

2. Delegation of Purchasing Authority

Under certain circumstances, purchasing authority may be delegated to departments. When departments choose to exercise such authority, they also assume full responsibility for making awards to the qualified and responsible low bidder and properly handling these transactions in accordance with university policies and procedures. Such purchases shall be distributed equitably among qualified suppliers. When practical, a quotation will be solicited from other than the previous supplier prior to placing a repeat order.

For convenience and expediency, nonrecurring single purchases of goods or services defined as Small Purchases by the Vice Rector for Finance and Business Affairs may be performed directly by individual departments without approval by or assistance of the Purchasing Department.

Small Purchases as defined by the Vice Rector for Finance and Business Affairs may be paid for by properly approved departmental petty cash funds provide proper receipts are obtained, by direct purchase vouchers from vendors who are willing to invoice the university after supplying the goods or services without benefit of a purchase order; or by a university approved departmental credit card.

3. Bidding Policies and Procedures

When possible, all specifications for materials, supplies, equipment, and services shall be worded or designed to permit competitive bidding for the supplying of the articles, commodities, or services to which they apply. When a requisition specifies a sole source, proprietary, or other non-biddable product, the requisition should be accompanied by a written justification.

Because of the time required to obtain competitive bids, departments are requested to anticipate their needs as far in advance as possible to ensure deliveries can be made when needed.

If the requisitioning department or the Purchasing Office has serious doubts about the lowest bidder's ability to perform the contract, the Purchasing Office may require submission of satisfactory evidence of ability to perform, and may seek approval to require a performance bond from the vendor. Upon approval by the Purchasing Office, the vendor can be required (at its own expense) to furnish a performance bond to the university as a condition to receiving the purchase award.

Bidding Policy: Bidding requirements are governed by ranges of the value of the purchase as defined by the Vice Rector for Finance and Business Affairs. Purchases defined as Small Purchases will be delegated to departments. As the value range increases, bidding requirements will move from requiring only verbal or written quotes from qualified sources, to requiring written quotes from at least three qualified sources, to requiring additional administrative approvals for high value procurements.

Acceptability of Late Sealed Bids. All sealed bids must be received in the Purchasing Office on or before the date and hour specified for bid opening. Sealed bids not meeting this deadline will be rejected. No qualifying letters or statements from vendors will be considered as justification to accept late bids.

Specifications: It is understood that reference to available specifications shall be sufficient to make the terms of such specifications binding on the contractor. Any reference to brand names and numbers in the Invitation to Bid is descriptive, but not restrictive, unless otherwise specified, providing the bid clearly describes the article offered and how it differs from the referenced brands. Unless the bidder specifies otherwise, it is understood that the bidder is offering a referenced brand item as specified in the Invitation to Bid.

The university reserves the right to determine whether a substitute offer is equivalent to and meets the standards of the quality indicated by the brand name references. The university may also require a bidder offering a substitute to supply additional descriptive material and a sample. When merchandise received from a successful bidder is not considered to be an equal by the department placing the order, it will be returned to the vendor, shipping charges collect. Any substitution must be approved by the Purchasing Office prior to shipment.

Awards: The award shall be made to a qualified and responsible bidder whose articles or services conform (considering quality, purpose or use) to the specifications, who can guarantee the delivery date specified in the invitation to bid, who demonstrates an apparent ability to perform the proposed contract, and whose bid constitutes the lowest net cost to the university. Included in net cost determination will be quantifiable factors stated in the invitation to bid such as discounts for prompt payment (or for any other reason), transportation charges, the present cost of quantifiable maintenance and operating expenses, and any other cost factors defined by the invitation to bid.

Acceptance or Rejection of Bids: The university reserves the right to reject any and all bids, to waive any informality in the bids, and to make awards as indicated on the bid document. The university may cancel an invitation to bid at any time prior to bid opening. Such cancellation will be made by the Purchasing Office by written notice to vendors.

4. **Purchase Contracts**

An award shall be made to the qualified and responsible vendor with the lowest bid whose articles or services best meet the conditions specified. The university reserves the right to cancel purchase orders or part of purchase orders without penalty and without the consent of the vendor if the vendor does not comply with the terms or conditions of the contract, the vendor does not perform the work with promptness or diligence, the vendor does not make shipments within the agreed or specified time, except for causes beyond the vendor's control.

The Purchasing Office should inform vendors of any university policies concerning copyright infringement and indemnification.

It is the requisitioning department's responsibility to record and retain evidence of warranties on items purchased. It is also the department's responsibility to determine the warranty terms are fulfilled.

5. Types of Purchase Orders Issued

The purchase order is the official document for all purchasing activities. The terms and conditions of the purchase order give legal protection to the initiating department and to the university. It provides legal reference and backup in disputes arising from problems in shipping, quality, damage, etc. Each requisition processed by the Purchasing Office generally results in the issuance of a purchase order. Each purchase order reflects information provided on the requisition and may contain changes, additional terms, etc. The purchase order is the formal record and reference document for the actual purchase transaction. It is sent to the vendor to initiate and/or confirm a purchase. Copies of the document are sent to the initiator, and to receiving stations.

The following is a brief introduction to the types of orders that may be written by the Purchasing Office covering different situations.

Standard Purchase Order: This is an order for supplies, equipment, or services issued by the Purchasing Office as a result of a department submitting a properly approved purchase requisition form. If required, bids are taken prior to issuance of the purchase order.

Confirming Purchase Order: A confirming purchase order is issued when the formal written order is sent to the vendor after the order has been placed verbally, usually by telephone. The order is marked "Confirming" to advise the vendor of the previous placement and to avoid duplication. This procedure is normally used to expedite order placement and delivery. Competitive bids, if required, are obtained by telephone or in writing before the verbal order is placed.

Blanket Order: A blanket order covers purchases made during a specific time period and may be issued to cover a variety of purchases. Generally, blanket orders are issued items up to a fixed value limit (as determined by the Purchasing Office and indicated on the blanket order) from one vendor within a specified time period, and for specific items in estimated quantities to be purchased during a given time period. An order is awarded on the basis of bids taken, and items may be released by the department in any amount up to the specified order total.

Standing Order: This type of purchase order is issued for numerous shipments of specified items during a given time period. The items are shipped by the vendor in accordance with a predetermined schedule stated on the order.

Change Order: If any change is to be made in a purchase order, it must be made by the Purchasing Department. For this purpose, a change order is issued in the same number of copies and is distributed in the same manner as the original purchase order which it alters.

6. Purchase Requisitions

The Purchasing Office is not responsible for determining the quality or quantity of items to be purchased except in an advisory capacity.

Requisitions should be transmitted to the Purchasing Office sufficiently in advance of the time the goods or services are required to allow time for securing bids, processing the order, and for delivery. Departments should feel free, if necessary, to consult with Purchasing before preparing a requisition.

7. Issuance of Purchase Orders

Purchase orders are issued by the Purchasing Office following receipt of properly approved requisitions originated by the departments. After the Purchasing Office has issued the purchase order, copies will be distributed to the vendor and the department responsible for accounts payable in accordance with university procedures. The requesting department should thoroughly check the purchase order against the requisition, and any discrepancies should be reported to the Purchasing Office immediately.

When a purchase requisition is entered, the total amount of the order is encumbered against the departmental account number specified. When the purchase order is issued, the requisition is relieved and the purchase is encumbered. After the goods are received and payment to the vendor is made, the original amount encumbered is relieved and the payment amount will be posted.

Correspondence with vendors concerning a purchase order should be conducted by the Purchasing Office. However, such action may be handled by the requesting department with the Purchasing Office's knowledge and approval.

8. Direct Purchase Vouchers

Direct purchase vouchers may be prepared for procurements of all supplies and services defined as Small Purchases by the Vice Rector for Finance and Business Affairs and not available through other university departments or term contracts. Certification of compliance with stated policies for use of the direct purchase voucher shall rest with the user department. Direct purchase vouchers must be completed fully

Copies of the direct purchase voucher shall be distributed to the vendor after signed by an appropriate departmental official, except when the voucher is used to confirm and pay for items already received, in which case the vendor's copy should not be mailed; to the Director of Budget and Accounting Services or his designee for accounts payable activity once the goods and invoice have been received from the vendor. When the transaction is complete, the accounting information section of the voucher should be completed. The original invoice should be attached to the accounting copy of the voucher and forwarded through proper channels for signature and for payment. A copy of the invoice should be attached to the department copy of the voucher and placed in a closed file. Another copy of the invoice should be attached to the dean or director copy of the voucher and forwarded to the appropriate office for filing.

To ensure compliance with university procurement regulations, monitoring procedures will be accomplished through the Purchasing Office. On a regular basis, a random selection of direct purchase vouchers will be forwarded to the Purchasing Office for review. In addition, a random selection of the direct purchase vouchers received from the off-campus departments will be reviewed.

9. Emergency Purchases

Justification for an emergency purchase arising from unforeseen causes occurs when time is limited and products or services are needed to protect the lives or health of persons, to prevent or minimize damage to university property, or to meet other critical requirements.

Properly documented emergency purchases may be excluded from competitive bidding requirements under certain conditions. The Purchasing Office should be notified by telephone as soon as possible to expedite the purchase. Written documentation from a university official which attests to the emergency situation will be required to complete the file. The Purchasing Office will try to obtain bids by telephone or other means as time permits.

Emergency purchases cannot be made for items available through university central supply stores, or for commodities or services which require a contract.

10. Departmental Credit Card

Departmental credit cards approved by the university may be used for purchases of goods and services made directly by departments. Departmental credit cards are an additional procurement tool for individuals and departments making purchases on behalf of the university for which the university is financially liable.

The amount which can be committed using a departmental credit card and the criteria for use will be determined by the Purchasing Office.

Departmental credit card holders shall not lend out their card, and must keep their card secure and the card number confidential.

11. Sole Source and Proprietary Purchases

A sole source product or service is one that is unique and possesses specific characteristics that can be obtained from only one source. The determination as to whether a product or service may be classified as a sole source will be made by the Purchasing Office when:

- The vendor possesses exclusive and/or predominate capabilities, or the item contains a patented feature providing a superior utility not obtainable from similar products.
- The product or service is unique and easily established as one of a kind.
- The program requirements cannot be modified so competitive products or services may be used.
- The product is available from only one source and not merchandised through wholesalers, jobbers, or other retailers.
- The products must be interchangeable or compatible with existing products.

A proprietary product or service is one that is manufactured, marketed, or provided by a person or firm that has exclusive rights to manufacture, perform, or sell the product or service. The request for all proprietary purchases must be supported by written documentation.

Products or services determined by the Purchasing Office to be sole source or proprietary may be exempted from competitive bid requirements.

12. Restrictions on Certain Purchases

Items of a personal nature may not be purchased with university funds. Such items include: brief cases, cards, fountain pens, seasonal decorations, and flowers or gifts for any occasion.

The Purchasing Office is not authorized to make purchases for individuals.

It is the general policy of the university that all memberships and subscriptions must be purchased in the name of the university and must be directly related to the mission of the department for which the membership or subscription is purchased. It is also the policy of the university to pay dues for only those professional organizations in which the university maintains an institutional membership.

Purchases from grant or contract funds will be made in accordance with regular university purchasing policies unless the governing document (grant or contract) specifies alternate procedures. It is the responsibility of the project director to be aware of any special purchase limitations or requirements applicable to a particular sponsored project, and to certify on purchase requisitions such special requirements have been met.

13. Vendor Complaints

When a department feels a vendor has not satisfactorily delivered the goods or services as requisitioned, the user department initiates a documented contact with the vendor through the Purchasing Office to register a complaint. If the problem is not reconciled, a written request for intervention is submitted to the Purchasing Office, along with proper documentation. If the issue is not resolved, the case should be referred to the Director of Budget and Accounting Services or the Vice Rector for Finance and Business Affairs for further action.

14. Advance Payments to Vendors

The basic policy of the university relative to payment for goods and services is that payment will not be made until after goods have been received or services have been rendered. Exceptions may be granted and remittances may be made in advance at the time an order is placed if the exception is fully documented and approved in advance by the Vice Rector for Finance and Business Affairs or his designee.

15. University Receiving and Shipping

Before acknowledging receipt from the delivering agent by signature on the bill of lading, freight bill, or delivery ticket, departments accepting delivery of supplies and materials should check the shipment to ensure the number of cartons or packages agrees with that specified on the document and should examine the shipment for possible damage in transit. Any visible damage or shortage should be noted on the delivery document and the driver's or deliveryman's signature obtained thereon.

The material received should be checked against the purchase order as soon as possible to determine conformity with quantity and quality specifications, and a written record should be made of the receipt. Any damage, shortage, or discrepancy between material ordered and received should be reported verbally immediately to the Purchasing Office, and subsequently confirmed by a detailed written report so payment can be delayed until the proper adjustment is completed. The Purchasing Office will initiate the required follow-up or claim for damages, except in those instances where it may be desirable for the receiving department to conduct the follow-up or claim with the permission of the Purchasing Office.

I. INVENTORY AND CONTROL OF UNIVERSITY EQUIPMENT

This policy sets forth for the guidance of personnel charged with responsibilities over university assets, the basic policies relative to inventory and control of movable equipment.

The equipment inventory system of the university involves the identification of each separately inventoried item with a numbered inventory tag; an annual printed list to each department of its movable equipment inventory; and verification and certification of the annual inventory list(s) by the department or unit.

This policy is applicable to all equipment for which the university is responsible (both owned and non-owned). The policies set forth in this statement must be followed unless grant or contract sponsors require more stringent controls. For equipment purchased or furnished under a grant or contract, the equipment policies of the sponsoring agency must be followed.

1. Responsibility

Although movable equipment is accounted for and controlled on a departmental basis, title and ownership rest with the university rather than with any individual department.

In general, custody and control of university movable equipment follows normal college and departmental lines with the department chair being the official primarily responsible for adherence to established policies and procedures in the acquisition, use, maintenance, control, and the annual verification of equipment in his or her custody. Equipment not assigned to specific departments in colleges or units will be under the custody and control of deans or directors.

It is the department head's responsibility to ensure university equipment in his or her custody and control receives the required standard of maintenance and repair to effectuate realization of the maximum efficient useful life of the equipment.

The Office of Budget and Accounting Services is responsible for:

- Providing accurate and concise inventory information to the university administration.
- Providing deans, directors, and department heads with an accessible reference of movable equipment inventory under his or her custody and control.
- Maintaining and recording records of capital assets.
- Preparing property inventory control sheets for each item of movable equipment.
- Affixing university identification bar codes to each item of movable equipment.
- Maintaining a university-wide inventory control system based on the latest management and technological innovations.

Object Code Classification System: The university's object classification system is based on the nature of the services, articles, or other items for which payment is being made. Since university operations result in the purchase of an almost unlimited variety of items, it is not possible to set forth clear-cut rules for classification of all items. However, since the proper classification of equipment items on invoices or vouchers when they are approved for payment controls the entry of the items into the inventory system, it is important that classification of equipment be made on a uniform basis throughout the university. Departmental personnel charged with the responsibility of processing invoices and vouchers should be thoroughly familiar with the definition of equipment as approved by the university, and with the equipment classification codes.

Annual Inventory Certification: The university requires an annual verification of all movable equipment. Department heads are responsible for the accuracy of the annual departmental movable equipment inventory list provided by Director of Budget and Accounting Services. Certification of the annual equipment list by the department head acknowledges the existence and usage of the equipment on the list.

2. Control and Disposal of Moveable Equipment

For the maintenance of an accurate inventory system, it is necessary for deletions to the inventory records be promptly made to reflect trade-ins, sales, theft, destruction, equipment cannibalization, or transfers of property items. When equipment is disposed of or removed from departmental custody or control, documentation, as required by the university, should be sent to the Director of Budget and Accounting Services or his designees. Items of equipment may be voluntarily disposed of only with the approval of the Director of Budget and Accounting Services or his designee.

Rented or Leased Equipment: In some situations, it is more economical for the university to rent or lease equipment rather than to purchase it. Under such rental and lease arrangements, the payments should be classified as rentals and not as equipment acquisitions. Upon occasion, certain types of equipment are acquired under lease-purchase agreements which provide rentals or portions thereof to be applied to the purchase price. For lease-purchase arrangements, the items should be treated as equipment. If title to leased equipment (not lease-purchases) is subsequently transferred to the university upon completion of a lease agreement, a written report must be made to the Director of Budget and Accounting Services or his designee in order for the equipment to be properly recorded into the system and tagged as university equipment.

Personally Owned Equipment on University Premises: There are occasions when faculty and staff members keep and use items of personal equipment in university offices and laboratories. Any such personal equipment on university premises should be tagged or labeled to clearly indicate personal ownership. Unless there is a written agreement to the contrary, such personal equipment remains at the owner's risk. The university insurance coverage normally does not cover personally owned property, and the university cannot assume responsibility for maintenance or upkeep.

Borrowed Equipment, Exhibits, and Demonstration Equipment: There are occasions when equipment is loaned to or borrowed by the university for official use. All such arrangements for non-owned equipment should be approved by the appropriate dean or vice rector. A written agreement should be executed with the owner detailing the university's obligations and responsibilities in connection with the equipment. If the university accepts responsibility in writing for damage to or loss of non-owned equipment, a copy of the agreement must be forwarded immediately to the Director of Budget and Accounting Services or his designee in order that proper insurance coverage may be obtained.

3. Inventory Procedures

All consumable supplies used in the ordinary course of business and items purchased for resale and/or materials used to produce items for resale should be included in each departmental inventory. Items in this category located at different sites from the department should also be included. Either a perpetual or periodic system can be used.

Perpetual Systems: Purchases at cost are recorded directly to the inventory account. Items expended are deducted from the inventory account and charged to a cost of goods sold account. By so doing the value in the inventory account at year end should be the same as the value at cost of the physical inventory on hand. As a control feature, spot counts should be made throughout the year and reconciled with the perpetual inventory records to determine the accuracy of these records. A physical inventory of all items should be taken at least once a year to verify the validity of the perpetual records and to adjust for breakage, theft, obsolete items, etc.

Periodic Systems: Purchases at cost are recorded directly in the purchase account. Beginning-of-the-year opening inventory remains the same throughout the year and is adjusted at year end when a physical inventory is completed.

Adjustments of Inventories at Year End: Regardless of when a physical inventory takes place, departments are required to adjust their inventories to account for all related transactions through the end of the fiscal year. Inventory adjustments should be made using the special forms available from the Office of Budget and Accounting Services.

Physical Inventory Counts: Before undertaking a physical inventory in the department, the Director of Budget and Accounting Services should be notified of the scheduled physical inventory date. All items included in inventory should have verification of beginning balances for the current accounting period. All inventorial items should be counted with any damaged items or obsolete items noted. Detailed documentation should be maintained by the department. This should include details as to the number of units in inventory at the count date, the unit costs of these items and their extended value (number times unit costs). Upon completion of the inventory, management should review the items listed on the inventory sheets to determine if any items are obsolete or damaged. Costs for these items should be the lower of cost or market. Care should be taken to make sure that all inventorial items have been counted. Management should spot check the counts to determine accuracy. Also, internal and external auditors should observe the actual physical inventory count.

J. UNIVERSITY TRAVEL

This section provides guidance concerning the reimbursement of properly approved university travel that is necessary for the proper execution of official university business, or in justifiable pursuit of the university's educational and research objectives.

1. Responsibility

Deans, directors, department heads, and others authorized to approve travel requests will approve only travel that is necessary for the proper execution of official university business, or in justifiable pursuit of the university's educational and research objectives. Meetings and conferences to be attended must be of a professional nature directly associated with the individual's duties and role within the university.

NOTE: The Vice Rector for Finance and Business Affairs should develop with the approval of the Rector and the Board of Trustees travel regulations that address expense limitations and documentation requirements for travel by faculty, staff, students, visitors, and guests that involve travel by common carrier, travel by private aircraft, travel by automobile, car rentals, tolls, parking, taxi fares, lodging, meals, registration fees, telephone calls, and tips and gratuities.

Regulations for the use of travel cards and travel advances should be developed by the Vice Rector, Finance and Business Affairs and his staff including the Director of Budget and Accounting Services in consultation with the leadership of the institution and appropriate external governmental agencies.

2. Reimbursement Guidelines

Authorization for travel will not be granted, and expenses will not be reimbursed unless the travel is made and reimbursement claimed in accordance with regulations contained herein. Claims for reimbursement of travel expenses should be submitted no later than 30 days after completion of the travel. Department heads must ensure all individuals in their departments who travel or are involved in processing expense accounts are thoroughly familiar with and comply with these regulations.

University employees traveling on university business are reimbursed for actual and necessary expenses incurred, subject to limitations set by the university. Original, itemized receipts must be submitted with the travel voucher for each expenditure consistent with requirements established by the university. An accurate record must be kept of expenses incurred, since reimbursement will not be made on estimates. Allowances in lieu of expenses will not be approved except in the case of mileage for use of private automobiles and for meal limitations as provided within this policy. If a dependent or other individual accompanies an employee on an authorized business trip, only those expenses which relate to the employee may be reimbursed.

The limits on travel expenses established by the university should not be construed as an indication of amounts that should be spent. University employees should be as conservative as good taste and circumstances permit in the expenditure of funds for official travel.

Grants and Contracts: Travel expenses to be paid from grant or contract funds will be in accordance with provisions of the grant or contract where such instruments specify travel regulations. If there are no specific provisions in the grant or contract pertaining to travel, expenses will be reimbursed in accordance with university regulations.

Official Station: Expenses incurred at the official station of any officer or employee will not be allowed. Expenses not allowed include access charges and any long distance charges for personal telephone calls made from mobile telephones or other telephones. The official station is the office headquarters or the designated location of employees established in the field. Exceptions must be justified and authorized in advance.

Student Travel: The amount reimbursable for student and non-student youth travel should be the same as for official travel of an employee. The extent of payment or reimbursement for travel and subsistence shall be determined by the university staff officials designated by the appropriate vice rector. The university should assume no liability for damages resulting from accidents or other causes related to student and non-student youth travel.

3. Travel Related Claims

An official university travel claim form as approved by the university must be used to obtain reimbursement for travel expense. The travel claim must be properly completed with the items arranged in the proper columns. Totals must be provided for each column and the grand total of the claim must be shown. Legible, properly numbered receipts must be attached in day-to-day sequence. The expense report must exhibit the full nature and details of the travel and all costs incurred must be susceptible to validation. All information necessary to prove the claim must be disclosed.

The signature on the travel voucher of the traveler and the individual authorized to approve expenditures from the account(s) being charged must be original. No stamped signatures will be accepted.

K. UNIVERSITY CONTRACTS

To provide guidance concerning the execution of properly approved contracts that are necessary for the conduct of official university business.

1. Applicability

The policies and procedures set forth herein shall apply to all contracts for professional and consultant services; performances or lectures; leases of real property; sponsored programs; and other services required by the university.

Services which by their nature are amenable to bidding and which are subject to sufficiently uniform and impersonal criteria to permit proper evaluation of bids shall be procured by the Purchasing Office, through the normal requisitioning and purchase order process, and not by the procedures delineated in this section.

2. Responsibility

The Vice Rector for Finance for Business Affairs should develop and distribute specific guidelines in connection with contracting for services required to support university programs including professional and consulting services.

Professional and Consulting Services: Specific issues that need to be addressed include:

- A determination that the services are in fact needed and cannot be satisfactorily and economically performed or rendered by internal university sources.
- The acceptable term of such contracts.
- Contracts with former employees.
- Contracts with entities in which a controlling interest is held by an employee or any family member residing in the same household.
- The need for performance bonds.
- The circumstances under which travel expenses may be reimbursed.
- Penalties for non-performance.
- Methods of contracting that are allowable, such as informal contacts at the department or sole source negotiations versus bidding.

There may be some individual programs within the university in which there is a continuing and repetitive need for professional services from independent contractors under conditions which do not permit the advance determination of specific services required or the exact cost of the service.

In such situations, the Vice Rector for Finance and Business Affairs may issue an authorization for direct purchase of such required services. Such an authorization is appropriate if the needs of the program and category of services are such that:

- Uniform and adequate guidelines exist or can be developed to direct the department in procuring such services
- The individual transactions involved are relatively small and uniform in purpose so there would be no requirement for an administrative review of each transaction
- The drafting, review, and execution of an individual contract for each transaction would be impractical.

Such an authorization for direct purchase will adequately describe the nature and scope of services authorized, the maximum rates and total expenditures permitted, the period for which the authorization is effective, and other limitations as appropriate in the circumstances. A copy of such authorization for direct purchase shall be forwarded to the Director of Budget and Accounting Services for use in the auditing of payment requests under such authorizations.

The Vice Rector for Finance and Business Affairs may make an exception to these rules and regulations in those instances in which he determines that an exception would serve the best interests of the university. In such a case, he may direct or approve alternate forms of negotiations for service contracts, provided a statement of the reasons for the alternate negotiations is transmitted with the executed contract to be maintained in the permanent document files.

The university department receiving services under a services contract must maintain adequate review and records of services rendered. All such contracts must provide for payments to be made upon submission of invoices by the contractor, after performance of the portion of the services which each payment represents. After determining that the services billed have been satisfactorily performed, the appropriate authorizing official of the department will approve the invoice and forward it through normal channels to the Director of Budget and Accounting Services or his designee for payment. Final payment may not be authorized until the contractor has completed his or her performance under the contract.

3. Review and Execution of Contracts

All contracts, including contracts covering the securing of professional and consulting services, must be signed by the appropriate vice rector and the Vice Rector for Finance and Business Affairs. The Vice President for Finance and Business Affairs may not delegate this authority. However, he may designate someone to sign in his absence. Contracts for sponsored programs may be delegated by the Vice Rector for Finance and Business Affairs.

The Vice President for Finance and Business Affairs should delegate specific authority to the head of the Purchasing Office to sign purchase orders, requests for proposals, and requests for bids up to a limit established by the Vice Rector for Finance and Business Affairs. In addition, authority should be delegated to the head of the Purchasing Office to sign purchase orders, requests for proposals, and requests for bids in excess of the limit established by the Vice Rector for Finance and Business Affairs if the original requisition was approved by the Vice Rector for Finance and Business Affairs.

All proposals, applications, agreements, or contracts submitted to the Vice Rector for Finance and Business Affairs shall be reviewed by business and finance personnel as specified by the Vice Rector for Finance and Business Affairs.

Each contract will be reviewed in order to consider its compliance with university policies and procedures, fairness of proposed rates of compensation, and prevention of contracting with university employees. The review also will determine whether services could be more satisfactorily and economically acquired through the utilization or creation of a payroll position.

In addition, all contracts, proposals, applications or agreements may be reviewed by appropriate legal counsel.

L. ACCOUNTING AND FINANCIAL REPORTING

The accounts of the university are the vehicle through which all business and financial transactions are organized, classified, recorded, reported, and managed consistent with all external restrictions and internal designations. The purpose of the accounts of the university (hereinafter referred to as the accounting system) is to provide the necessary financial information to assist university management in the effective allocation and use of resources, and to assist others in understanding the financial operations of the organization.

The basic accounting system outlined in a chart of accounts maintains university accounts in accordance with a system of fund accounting. The basic university accounting principle is that all funds have a source and use in accordance with laws, regulations, restrictions, or limitations imposed by sources outside the institution. Individual accounts with similar characteristics are placed in a fund group, with each account within a fund group having its own set of assets, liabilities, and fund balance.

The accounting system should be formatted to record and report transactions according to the principles of accrual accounting. Accrual accounting records and reports revenues and additions when they are earned and expenditures and deductions when materials or services are received.

1. Responsibility

The Vice Rector for Finance and Business Affairs, the Director of Budget and Accounting Services, and the Controller are responsible for developing and maintaining all required budgeting, recording, accounting, and financial reporting systems including a chart of accounts.

The Controller's Office is responsible for maintaining the integrity of the chart of accounts, and for assigning fund and expenditure account numbers. Departments are responsible for communicating any restrictions on use of funds so that the staff of the Controller's Office can set up accounts correctly.

2. Major Fund Groups

The university accounting system uses major fund group classifications and, in general, accepts the principles of fund accounting. In both the unrestricted and restricted current funds, additional coding and resulting separation of funds are employed to meet internal needs of the university. Major fund groups common in higher education are as follows:

Current Unrestricted Funds: Current funds are those economic resources expendable in the current fiscal year for carrying out the primary mission of the university. Included are instructional operating funds, indirect cost recovery revenue, funds internally designated for a specific program, and auxiliary enterprise funds.

Current Restricted Funds: These funds include those received from outside sources and restricted for a specific purpose such as gifts, endowment distributions, grants and contracts also known as sponsored programs, scholarships and student aid, and other similar resources.

Loan Funds: These funds are used to account for resources that may be loaned to students, faculty, or staff as specified by the Board of Trustees. As loans are repaid, the principal and accumulated income become available for new loans.

Endowment Funds: This fund generally consists of funds provided by a donor requiring in perpetuity that the principal be invested and only the income and appreciation be made available for spending on activities generally specified by the donor.

Plant Funds: This group of funds is used to account for unexpended funds related to the university's physical that are used to acquire long-lived assets for institutional purposes; funds set aside for renewal and replacement of institutional properties; funds set aside for debt service charges and retirement of indebtedness on institutional plant; and the cost of long-lived assets and the sources from which the cost is funded, including associated liabilities.

Agency Funds: These funds are funds held by the university as custodian or fiscal agent for others.

3. Account Classifications

The accounting system indicates the type of account and determines the reports, both monthly and periodic, upon which the activities of the account will appear. Broad account classifications common in higher education are the following:

Instruction: This category includes expenditures for activities that are part of an institution's instruction program. Expenditures for credit and noncredit courses, occupational and vocational instruction, remedial and tutorial instruction, and academic instruction are included. Also included are expenditures for regular, special, and extension sessions.

Research: This category includes expenditures for activities specifically organized to produce research outcomes, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution.

Extension and Public Service: This category includes expenditures for activities that are established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. Included in this category are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

Academic Support: This category includes expenditures primarily to provide support services for the institution's primary missions of instruction, research, and public service. It includes libraries, museums, demonstration programs, audiovisual services, computing support, and academic administration.

Student Services: This category includes expenditures for admissions and registration and those activities whose primary purpose is to contribute to the student's emotional and physical well-being and to his or her intellectual, cultural, and social development outside the context of the formal instructional program. It includes expenditures for student activities, cultural events, student newspaper, intramural athletics, student organizations, counseling and career guidance, and student aid administration.

Institutional Support: This category includes expenditures for central executive level activities concerned with management and long-range planning of the entire institution. It includes expenditures for the governing board, planning, legal services, fiscal operations, administrative data processing, personnel administration, procurement, storerooms, safety, security, printing, and transportation services to the institution.

Operation and Maintenance of Plant: This category includes expenditures of current operating funds for the operation and maintenance of physical plant.

Scholarships and Fellowships: This category includes expenditures for scholarships and fellowships in the form of outright grants to students selected by the institution and financed from current funds, restricted or unrestricted.

Auxiliary Enterprises: An auxiliary enterprise is an essentially self-supporting entity that exists to furnish goods or services to students, faculty or staff, and that charges a fee directly related to the cost of the goods or services. Examples are residence halls, food services, athletic competitions, vending, and bookstore.

4. Object and Other Classifications

Beyond fund groups and accounting classifications detailed above, the accounting system should provide a variety of other information concerning categories of financial activity. These include:

Object Codes: This should include object classification of expenditures, detailed sources of revenue, identification of assets, identification of liabilities, and identification of fund balance additions and deductions.

Departments and Administrative Units: Departmental and administrative identification numbers should be included in the accounting system

Funding Source: The accounting system should identify and describe, individually, the numerous funding sources from which funds are received.

Individual Projects: The accounting system should provide for the smallest breakdown of a fund balance at a project level.

Budget Classes: Budget classes ranging from salaries to equipment should be delineated in the system.

5. Departmental Financial Reports

All expenditures of current funds, both unrestricted and restricted, are charged to an account with an established budget. The university's operating budget is based upon unrestricted revenue projections, as well as approved expenditure plans for unrestricted current funds. Therefore, continuing budget review must be maintained on both the expenditure and the revenue sides of the budget.

The expenditure budget for restricted current funds is also based upon revenue projections for the fiscal year. In order to maintain a favorable cash flow position, restricted revenue must be realized on a basis that corresponds very closely to projections. To assist in accomplishing a satisfactory balance of revenue versus expenditures, budget status reports for both revenue and expenditures are generated on a monthly basis through the accounting system and distributed to all university departments/administrative units.

6. University Financial Reports

Basic financial statements that fully disclose the institution's financial position must be prepared on an annual basis consistent with generally accepted accounting principles. To accomplish the objective of full disclosure, the basic financial statements should be accompanied by explanatory notes which include financial policies of the university, the effect of changes in the method of accounting not disclosed in the financial statements, and any other significant financial information.

Supplementary financial statements are included in the published fiscal year's financial report to provide supportive detailed information to the basic statements.

M. AUXILIARY AND SELF SUPPORTING OPERATIONS

Auxiliary enterprises are operated as essential elements in support of the education, research and public service programs of the university. They are to be operated at a level of quality sufficient to support the objectives of the primary programs. Direct charges for services are to be sufficient to enable the auxiliary enterprises to operate on a self-supporting basis wherever possible. For purposes of this general policy, "self-supporting" means an enterprise that receives revenues to cover direct and indirect operating expenses, assignable indirect costs, debt service and capital expenditures for the activity. Services provided by auxiliary enterprises may be incidentally available to members of the general public, but are not to be marketed to the general public or outside organizations.

In addition to the core activities of student housing, food services, and college stores, the university should classify as auxiliary enterprises any other activities which meet the definitions provided previously. However, the fact that an organized activity receives significant direct income is not in itself a reason for auxiliary enterprise designation unless the activity also serves primarily students, faculty, or staff members.

Cost recovery operations shall be designated as those activities whose income consists primarily of internal university non-cash transactions between units, departments, and offices which are necessary to meet the teaching, research, and service mission of the university.

1. Principles of Operation

The university is expected to employ professional management for all auxiliary enterprise activities, and to provide administrative, accounting and financial management oversight of each auxiliary enterprise.

In order to render adequate service, auxiliary enterprises should have a solid financial base that includes sufficient reserves. Each auxiliary enterprise which involves the sale of goods and services should have adequate working capital to support accounts receivable and necessary inventories of goods and supplies. Where this policy conflicts with existing bond covenants, the bond covenants shall prevail.

Renewal and replacement funds for all auxiliary enterprises should be accumulated in amounts sufficient to provide for major equipment repair and replacement as well as refurbishment, renewal and replacement of physical facilities. Auxiliary enterprises are not, however, expected to accumulate fund balances in excess of requirements for working capital, renewals and replacements, and debt service. Subsidies from outside funds and charges to users should be adjusted downward if an enterprise produces revenues in excess of this requirement.

Auxiliary enterprise budgets are to include costs of physical plant operations and accounting services directly chargeable to their operations. The cost of these support services may either be budgeted directly in the operations of the auxiliary enterprise, or budgeted as payments to the educational and general departments or service enterprises providing the support services.

All costs directly attributable to auxiliary enterprise or other cost recovery operations should be assessed as direct charges to those entities. These costs include salaries and wages, fringe benefits, operating expenses, and equipment costs.

Appropriate fees shall be charged to users of the auxiliary enterprises, including academic or administrative departments. To the extent reasonably possible, selling prices, rents, fees, admissions and other charges by each auxiliary enterprise are to be set at a level adequate to support the operating and reserve requirements of the enterprise.

2. Accounting Requirements

Each auxiliary enterprise is to use accounting systems appropriate to the type of business or program operated. Accounts for each auxiliary enterprise are to include all revenues, expenditures, and transfers relating to the enterprise, including fees from other institutional or outside sources and expenditures or indirect charges for operation and maintenance of physical plant and financial accounting services and for other administrative support costs. Mandatory and non-mandatory transfers out are to be specifically identified, as are all loans and all transfers in from other auxiliary enterprises and from institutional discretionary funds, other educational and general funds, or other funds of the university.

N. UNIVERSITY INTERNAL AUDIT PROGRAM

Internal auditing is an independent appraisal function established within the university to examine and evaluate its activities as a service to the organization. The objective of internal auditing is to assist members of the university in the effective discharge of their responsibilities. To this end, internal auditing furnishes them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed. The audit objective includes promoting effective control at reasonable cost.

The scope of internal auditing should encompass the examination and evaluation of the adequacy and effectiveness of the university's system of internal control and the quality of performance in carrying out assigned responsibilities.

The system of internal control should ascertain that:

- The university clearly communicates its established policies, plans, and procedures
- The entire organization is in compliance with these policies, plans, and procedures as well as other governing regulations and laws.
- Institutional assets are accounted for and safeguarded from losses of all kinds.
- Information used for decision making is reliable.
- All assigned responsibilities are carried out competently.
- All applicable reporting requirements are met.

Internal auditors should review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information. Internal auditors should also review the systems established to ensure compliance, review the means of safeguarding assets, verify the existence assets, and review operations or programs to ascertain whether results are consistent with established objectives and goals.

1. Responsibility

The internal audit function is an integral part of the university and functions under the policies established by senior management and the Board of Trustees. The purpose, authority, and responsibility of the internal auditing department should be defined in a formal written charter. The head of internal auditing should seek approval of the charter by senior management as well as acceptance by the Board of Trustees. The charter should make clear the purposes of the internal auditing department, specify the unrestricted scope of its work, and declare that auditors are to have no authority or responsibility for the activities they audit.

The internal audit function will be responsible for designing and executing a comprehensive audit program for the university including independently evaluating the design and effectiveness of the compliance function on an ongoing basis and for making recommendations for improvements.

2. Independence

Internal auditors should be independent of the activities they audit. Internal auditors are independent when they can carry out their work freely and objectively. Independence permits internal auditors to render the impartial and unbiased judgments essential to the proper conduct of audits. It is achieved through organizational status and objectivity.

The organizational status of the internal auditing department should be sufficient to permit the accomplishment of its audit responsibilities. The head of the internal auditing department should be responsible to an individual in the organization with sufficient authority to promote independence and to ensure a broad audit coverage, adequate consideration of audit reports, and appropriate action on audit recommendations.

Objectivity is an independent mental attitude which internal auditors should maintain in performing audits. Internal auditors are not to subordinate their judgment on audit matters to that of others. Designing, installing, and operating systems are not audit functions. Also, the drafting of procedures for systems is not an audit function. Performing such activities is presumed to impair audit objectivity.

Internal auditors should have full accessibility to records of all areas of the university.

3. Audit/Compliance Committee

The university should establish an Audit/Compliance Committee to help the Rector and the Board of Trustees fulfill their internal control and compliance responsibilities. The committee is an advisory body that operates within the delegated authorities afforded it by the Rector. The committee supports and oversees the activities of the internal auditors and the compliance function thereby maximizing the value of these activities to the university.

Membership of the committee should consist of the Rector and vice rectors plus the individuals responsible for internal auditing and the compliance program at the university.

Among the responsibilities of the committee are the following functions:

- Review and approve the internal auditing charter.
- Alert the internal auditors to significant operating, and financial risks.
- Review an annual audit plan.
- Review audit reports for the adequacy of managements responses.
- Monitor the timeliness of corrective actions.
- Monitor audits performed by external auditors.

O. UNIVERSITY COMPLIANCE PROGRAM

The compliance program reflects the commitment of the university to maintain the highest ethical standards and to comply with all applicable laws, policies, rules, and regulations. The Vice Rector for Finance and Business Affairs is designated the institution's Compliance Officer in addition to his other duties.

1. Responsibility

The Compliance Officer is responsible for a risk-based process that builds compliance consciousness into daily business processes, monitors the effectiveness of those processes, and communicates instances of non-compliance to appropriate administrative officers for corrective, restorative, and/or disciplinary action.

The Compliance Officer will also be responsible for ensuring that appropriate general compliance training for all employees and specialized compliance training for employees whose job responsibilities involve them in high-compliance-risk activities are being provided on a regular basis and that attendance levels are acceptable.

Responsibility for actual compliance with laws, regulations, policies, and procedures rests with each individual employee. Accountability resides primarily with the department head of each operating unit.

The Rector is responsible for the sufficiency of resources allocated to compliance activities and the appropriateness of corrective and disciplinary action taken in the event of non-compliance.

2. **Implementation**

The first step in developing a compliance function is accumulating a document which presents details of laws, regulations, policies, and procedures to which the university is subject. Next, the institution must assess the risk of non-compliance for all elements in the universe. Generally, the risk model should consider both the financial and other risks of non-compliance and should candidly self-assess existing skill levels, compliance consciousness, and recent histories of alleged or known non-compliant behavior. An annual risk-based plan should be developed that details significant compliance risks and describes the institution's compliance activities that will reduce the risks.

Risk assessments should be performed in a facilitated work session with a departmental or process workgroup. The Compliance Officer selected by the institution or his designee should facilitate the process, however, departmental personnel are the subject matter experts and they identify and rank the risks.

The final product of each risk assessment should be a one-page matrix with the following elements:

- The major activities of the department and process are identified.
- Specific risks are identified for each activity. A risk is defined as an uncertainty that could impact the university's ability to achieve its goals and objectives.
- Each risk is ranked for potential impact and probability of occurrence.
- Once the risks have been identified and ranked, the workgroup then identifies the Institutional "A" or High Priority Risks,
- The primary focus should be on the Institutional "A" Risks.
- Departments must monitor such risks, identify training required to deal with the risk, and periodically report on results to determine if the risk has been mitigated

Each completed risk assessment should be provided to the appropriate vice rector for their review and approval of the Institutional "A" Risks identified. An overall summary of the "A" Risks should be approved by the Rector.

Since the assessment of risk is by nature a judgment call, such decisions need to be reviewed on an ongoing basis as circumstances change.

3. Audit/Compliance Committee

The Audit/Compliance Committee established as outlined in this manual should ensure that an effective risk-based process has been established that builds compliance consciousness into daily business processes. The effectiveness of administrative processes should be monitored, and instances of non-compliance should be communicated to appropriate administrative officers for corrective action. The university must ensure that adequate training programs have been developed to address areas identified as high risk.

NOTE: The initial development of risk can be conducted only at an executive level. Only after the university's executive leadership has been hired and has begun work, therefore, will it be possible to assess risk areas such as financial aid, environmental hazards, grant and contract regulations, student rules and regulations. It must be remembered that the most important parts of the process are (1) the open discussion of the risks that may face the institution and (2) the development of relevant training programs.

VI. FACULTY AND PERSONNEL REGULATIONS

A. FACULTY APPOINTMENT AND RENEWAL

1. Faculty Appointments

Faculty appointments are made by the Rector for final approval by the Board of Trustees. Initial appointments for full-time faculty shall be for a period of two years. Appointments are subject to renewal if mutually agreed. Renewal appointments shall be for a period of three years. Full-time faculty contracts will begin on September 1st and end on August 31st.

Part-time (adjunct) faculty are typically hired on an annual or semester basis.

2. Minimum Qualifications for Appointment

All candidates for appointment must be proficient in the English language. EFL faculty must be native English speakers. For other faculty, preference will be given to candidates who are either native English speakers or who have achieved native-level proficiency as demonstrated by a band score of 8.0 or higher on the IELTS, with minimum component test scores of at least 7.5. An equivalent score on TOEFL or other comparable exam may be substituted if necessary.

Other, program-specific minimum qualifications are as follows:

a. Preparation Year Program Faculty

(1) EFL Faculty

- English language proficiency
 - Native English speaker
- Degree
 - Bachelor's degree or equivalent in Teaching English as a Foreign/Second Language (TEFL/TESL), applied linguistics, foreign-language pedagogy, or a related field. Master's degree is preferred.
- Experience
 - Two years of teaching experience, preferably in a communicative-centered program.

(2) Math Faculty

- Degree
 - Master's degree in mathematics.
 - Doctoral degree will allow faculty of the Preparation Year Program also to teach Core Curriculum mathematics courses
- Experience
 - At least two years teaching experience at the college level.
 - Preference to candidates who have prior experience in teaching under-prepared college students and experience in cooperative learning and alternative forms of assessment.

(3) Study Skills Faculty

- Degree
 - Master's degree, preferably in psychology, counseling, educational counseling, or a related field.
- Experience
 - At least two years' teaching experience at the college level.
 - Preference to candidates with prior experience teaching under-prepared and/or EFL college students and experience in cooperative learning and alternative forms of assessment.
- Additional skills
 - Knowledgeable concerning computer-assisted learning.

b. Core Curriculum Faculty

(1) Subject Area Faculty

- Degree
 - Doctoral degree in the teaching discipline for professorial level positions.
 - For faculty teaching lower level courses, a masters' degree with at least 18 graduate semester hours in the teaching discipline may be allowed, at the discretion of the Dean of the Preparation Year and Core Curriculum and the chair of the academic department involved.
- Experience
 - At least two years of teaching experience at the college level.
 - Preference to candidates who have prior teaching experience in cooperative and collaborative learning settings.

(2) Assessment Capstone Series Faculty

- Degree
 - Doctoral degree.
 - For faculty who teach assessment courses only, degree may be in any field (including specialties such as education or psychology). Masters degrees may be permitted in some instances, at the discretion of the Dean of the Preparation Year and Core Curriculum.
- Experience
 - At least two years of teaching experience at the college level.

c. **College of Business Administration Faculty**

- Degree
 - Doctoral degree in a relevant discipline for professorial level positions.
 - For faculty appointed to the rank of Instructor (normally teaching only 1000 and 2000 level courses), a master's degree in a relevant discipline plus work experience in a professional environment.
 - For faculty in the Executive MBA Program, it is possible that the degree may be replaced by relevant work experience if other qualities important in a faculty member are also present.
- Experience
 - Significant teaching experience at the college level. For faculty in the Executive MBA Program, experience teaching MBA students or executives.
 - Preference will be given to candidates who possess prior experience in teaching in cooperative and collaborative learning environments.
 - For faculty in the Executive MBA Program, work experience in the discipline. The amount of work experience will depend on the level of the students. The more experience the students have, the more will be required of the faculty. Experiences can be in consulting rather than full time work.

d. College of Information Technology Faculty

- Degree
 - Doctoral degree in a relevant discipline for professorial level positions.
 - For faculty appointed to the rank of Instructor (normally teaching only 1000 and 2000 level courses), a master's degree in a relevant discipline plus work experience in a professional environment.
- Experience
 - Significant teaching experience at the college level.
 - Preference to candidates who possess prior experience in teaching in cooperative and collaborative learning environments.

e. College of Engineering Faculty (except Department of Interior Design)

- Degree
 - Doctoral degree in the teaching discipline for professorial level positions
 - A masters' degree plus at least 18 graduate semester hours in the teaching discipline may be allowed, at the discretion of the Dean of the College of Engineering and the chair of the academic department involved, to assist in laboratory instruction.
- Experience
 - At least two years of teaching experience at the college level.
 - Preference to candidates who possess prior experience in teaching in cooperative and collaborative learning environments.

f. Department of Interior Design Faculty

- Degree
 - Master's degree in interior design or a closely related field for professorial level positions.
- Experience
 - At least two years of teaching experience at the college level.
 - Preference to candidates with minimum two years of professional design experience in areas that relate to their teaching assignment.
 - Preference to candidates with experience with CAD and design related software.
- Gender
 - Preference to female candidates.

B. INITIAL APPOINTMENT PROCEDURE

The initial appointment procedure for full- and part-time (adjunct) faculty includes the following steps.

1. Justification

The Chair will prepare a request to fill a faculty position that includes a job description specifying the following:

- Faculty rank (see the explanation below of faculty ranks and titles as explained in Section F.1. Criteria for Promotion).
- Other minimum qualifications required (see the explanation of above of required degrees and experience in Section A.2. Minimum Qualifications for Appointment)
- A written justification of need based on the mission, goals, and existing capabilities of both the department and the college or program.
- A recommended salary range.

The request will be submitted to the Dean of the college, who will review the justification for the request and the staffing and budget plan for the college. If approved by the Dean, the request will be forwarded to the Vice Rector for Academic Affairs for his approval.

2. Advertising for Open Positions

Upon approval by the Vice Rector for Academic Affairs, the position will be advertised in appropriate local as well as foreign professional journals and periodicals. Working closely with the department chair, the Director of Human Resource and Payroll Services will manage the advertising process, including determining the materials that will be required for inclusion in the candidates' dossiers.

At a minimum, the dossier should include the candidate's curriculum vitae; three current letters of recommendation; and official transcripts, copies of transcripts, or other verification of degrees earned.

The Director of Human Resource and Payroll Services will assemble the candidate dossiers and correspond with the candidates until the dossiers are complete.

3. Evaluation of Applicants for Full-Time Positions and Offer of Employment

The department Chair and, when appropriate, the Associate Chair will appoint a Department Search Committee, which will consist of a minimum of three members of the department faculty and one faculty member from another department. The Chair or Associate Chair will designate one of the committee members to serve as committee chair. Whenever possible, the committee chair should be an Associate Professor or Professor.

The Department Search Committee will review the candidates' dossiers. Then, with the concurrence of the Chair, and, when appropriate, the Associate Chair, the committee will identify a group of candidates (usually three to five) to be invited for interview. Interviews should involve the Department Search Committee, the Chair, the Associate Chair when appropriate, the Dean, the Vice Rector for Academic Affairs or his designee, and the Director of Human Resources and Payroll Services or his designee. During the interview visit, arrangements should also be made for the candidate to meet with other interested faculty and students. Interviewers' comments will be forwarded to the chair of the Department Search Committee.

The Department Search Committee will then meet with the Chair, and the Associate Chair when appropriate, to discuss the strengths and weaknesses of each candidate interviewed. If a suitable candidate is identified, the Chair will identify the best qualified candidate and recommend to the Dean of the College/Program that an offer be extended. If the Dean concurs, he will forward the recommendation to the Vice Rector for Academic Affairs. Upon the Vice Rector's approval, the Dean will enter into negotiations with the candidate with the aim of coming to agreement on an offer, with the understanding that the offer will be contingent upon approval by the Vice Rector for Academic Affairs and the Rector.

When a contingent offer has been accepted, the Dean will prepare the formal appointment documents, including the offer letter. At this point the candidate's dossier should include original transcripts of all university work. The candidate's complete file, which consists of the formal appointment documents and the dossier, will be forwarded to the Vice Rector for Academic Affairs.

The Vice Rector will forward his recommendation for appointment, along with the candidate's complete file, to the Rector. By forwarding the complete file, the Vice Rector certifies that all required documents are in order and are included. The official offer will be made by the Rector.

The offer letter will specify terms and conditions of appointment, including rank, salary, and responsibilities. If the applicant communicates acceptance in writing, the offer letter will become a mutually binding contract. When the offer letter has been signed by the candidate and returned to the Rector's office, a copy will be added to the candidate's complete file, which will then be forwarded to the Director of Human Resource and Payroll Services. In accordance with the university's records retention policy, candidates' files will be maintained in storage for a minimum of three years.

At his next meeting with the Board of Trustees, the Rector will seek the Board's final approval of new faculty appointments.

4. Evaluation of Applicants for Part-Time (Adjunct) Positions and Offer of Employment

The Chair, Associate Chair when appropriate, or their designees will review candidates' dossiers and interview the most promising candidates. The Chair will identify the best qualified candidate and recommend to the Dean of the College/Program that an offer be extended.

If the Dean concurs, he will forward the recommendation to the Vice Rector for Academic Affairs. Upon the Vice Rector's approval, the Dean will prepare the formal appointment documents, including the offer letter. At this point the candidate's dossier should include original transcripts of all university work. The candidate's complete file, which consists of the formal appointment documents and the dossier, will be forwarded to the Vice Rector for Academic Affairs, who will make the formal offer.

The offer letter will specify terms and conditions of appointment, including rank, salary, and responsibilities. If the applicant communicates acceptance in writing, the offer letter will become a mutually binding contract. When the offer letter has been signed by the candidate and returned to the Vice Rector's office, a copy will be added to the candidate's complete file, which will then be forwarded to the Director of Human Resource and Payroll Services. In accordance with the records retention policies of the Ministry of Education and the university, candidates' files will be maintained in storage for a minimum of three years.

C. RENEWAL OF FULL-TIME FACULTY CONTRACTS

If a full-time faculty member intends to decline an offer to renew the contract, he or she must notify the Chair or Associate Chair one regular semester (not including summer) or six months prior to the end of the contract. If the university does not intend to renew the contract, the faculty member must be notified in writing one regular semester (not including summer) or six months prior to the end of the contract.

D. EARLY TERMINATION OF CONTRACT

1. Causes for Early Termination

Termination by the university of the employment of a faculty member before the expiration of his or her contract will be only for good cause shown. Good cause includes, but is not limited to the following conditions.

- Failure to work efficiently or effectively.
- Insubordination.
- Serious professional or personal misconduct, examples of which include:
 - Committing a misdemeanor involving moral turpitude or a felony
 - Willful destruction of university property or violent disruption of the orderly operation of the campus.
 - Acceptance or solicitation of gifts that might tend to influence the discharge of one's professional responsibilities.
 - Stealing and publishing as one's own the intellectual property of another.
 - Misuse or misappropriation of university property, resources, or funds, including funds held by a faculty member as part of official duties.
 - Sexual or racial harassment.
- Professional incompetence and/or neglect of professional duties
- Mental or physical disablement of a continuing nature adversely affecting to a material and substantial degree the performance of duties or the meeting of responsibilities to the institution, or to students and associates.
- Illegal use of narcotics, drugs or controlled substances.
- Intentionally or knowingly violating any university order, rule or regulation.
- Major breaches of government laws and regulations of the Kingdom of Saudi Arabia.

2. Appeal of Early Termination

A faculty member whose appointment is not continued shall be given written notice by the Chair. The faculty member may appeal the decision of the Chair to the Dean, Vice Rector for Academic Affairs, and the Rector.

E. EVALUATION OF FACULTY

The primary purpose for evaluating faculty performance is to improve the quality of student learning. A secondary, but also essential, purpose is to provide a sound basis for making decisions about promotion, salary increases, and renewal of appointment. The faculty evaluation process described herein shall occur on an annual basis starting in the second year of employment. The process includes self-evaluation, student evaluations, and evaluation by the Chair or Associate Chair. A comprehensive faculty evaluation report will be prepared by the Chair or Associate Chair and provided to the faculty member annually, and a copy will be kept on file by the Chair. This evaluation report shall consist of (1) a summary of findings from the review of the professional portfolio (portfolio and portfolio review process described below), (2) a summary of student evaluation results (described below), and (3) the chair's or associate chair's evaluation, in the form of a letter (described below).

1. Criteria for Evaluation

The PMU is committed to educating the whole person, recognizing that success in the world depends not only on knowledge of a specific academic discipline, but also on a broader set of skills and abilities. Accordingly, part of the distinctive character of the PMU is its commitment to six basic learning outcomes or competencies that all students must meet in order to graduate. While all of the courses and programs of study at PMU are designed to instill and foster these competencies, it is acknowledged that students are most likely to achieve them as the result of seeing them exemplified in, and practiced by their teachers and mentors. For this reason, the focus of PMU's faculty evaluation plan, and the basis for measuring faculty achievement, shall be the extent to which the faculty member has demonstrated mastery of the six basic competencies within the three areas of faculty achievement – teaching, scholarly and creative activity, and service.

2. Six Distinctive Competencies

The six designated PMU competencies address what PMU graduates will need to know, and what they must be able to do, in order to be successful in their chosen fields and to contribute to the development of their community and the Kingdom. These competencies, therefore, should be exemplified in the behavior of all faculty members. The six PMU learning outcomes are:

- **Communication:** the ability to communicate effectively in both English and Arabic in professional and social situations.
- **Technological Competence:** the ability to use modern technologies to acquire information, communicate, solve problems, and produce intended results.
- **Critical Thinking and Problem Solving:** the ability to reason logically and creatively to make informed and responsible decisions and achieve intended goals.
- **Professional Competence:** the ability to perform professional responsibilities effectively in both local and international contexts.
- **Teamwork:** the ability to work effectively with others to accomplish tasks and achieve group goals.
- **Leadership:** the ability to be informed, effective, and responsible leaders in family, community, and the Kingdom.

3. Three Areas of Faculty Achievement

The primary areas of responsibility to which the PMU faculty member will devote his or her efforts are:

- **Teaching:** Including, but not limited to, instruction in the classroom, laboratory or other university settings; performing tasks auxiliary to teaching; advising students (for those faculty members who participate in the university's Academic Advising Services) and maintaining office hours in accordance with university guidelines.
- **Scholarly and Creative Activity:** Including, but not limited to, exploring, discovering, and creating new knowledge and possibilities for its application.
- **Service:** Including, but not limited to, serving on department, college, university, and *ad hoc* committees; performing administrative tasks when required or requested; using professional expertise to contribute to the welfare of the local and wider communities; and providing leadership and support within one's academic and professional discipline.

Though certain of the six distinctive competencies may be more easily or logically demonstrated within certain of the three areas of achievement, the ideal toward which all faculty members should strive, and which should serve as the hallmark for all components of the faculty evaluation system, shall be demonstrating each of the competencies within each of the areas of achievement, as suggested by the following matrix:

Distinctive Competencies	Areas of Achievement		
	Teaching	Scholarship and Creative Activity	Service
Communication			
Technological Competence			
Critical Thinking and Problem Solving			
Professional Competence			
Teamwork			
Leadership			

4. Self-Evaluation

Faculty self-evaluation consists of two components – the annual self-evaluation report and the professional portfolio.

a. Annual Self-Evaluation Report

Starting in the second year of employment and each year thereafter, by no later than the midpoint of the first semester, the faculty member will submit a self-evaluation report to the Chair or Associate Chair. In this report the faculty member will describe his or her activities and accomplishments in the areas of teaching, scholarly and creative activity, and service during the preceding year. All activities or accomplishments included in the report must be documented upon request by the Chair or Associate Chair.

Guidelines for the preparation of the report are contained in Appendix A of this policy.

b. Professional Portfolio

Starting in the second year of employment and each year thereafter, by no later than the midpoint of the first semester, the faculty member will make his or her professional portfolio available to the Chair or Associate Chair and to fellow faculty members as explained in the section below entitled *Portfolio Review*. Each faculty member should begin creating a portfolio during the first semester of employment, and it should be continually updated and maintained. The formal contents of the portfolio should include items that document the faculty member’s professional development and achievement. The informal contents of the portfolio include anything else that the faculty member believes to be relevant and appropriate regarding his or her professional development. The contents of a typical professional portfolio are described in Appendix B of this policy.

5. **Portfolio Review**

Starting in the second year of employment and each year thereafter, by no later than the midpoint of the first semester, the faculty member will make his or her professional portfolio available to the Chair or Associate Chair and to those fellow faculty members within their department or program whose contracts have previously been renewed at least once. Criteria for portfolio review and standardized formats for recording the results of these reviews should be developed by the faculty within each department or program in conjunction with staff from the Professional Development Center. Reports of portfolio reviews by fellow faculty members will be forwarded to the Chair or Associate Chair.

6. **Student Evaluations**

Student evaluations are end-of-semester assessments of course content and instructional performance made by the students enrolled in the course. Student course evaluations will be conducted for all classes at the end of each semester. A generic course evaluation form should be developed by university faculty in conjunction with staff from the Professional Development Center. When warranted, individual departments or programs should develop program-specific items to be added to the generic instrument.

Appendix C of this policy contains a sample of a generic course evaluation form.

Course evaluation forms are to be filled out anonymously by students during a regular class meeting near the end of the semester. The faculty member will not be present in the classroom while students are filling out the course evaluation form. A student or another faculty member will return completed course evaluation forms to the office of the Chair or Associate Chair, where they will be maintained.

The results of the course evaluations for a faculty member's classes are released to the faculty member after semester grades have been posted.

7. Evaluation by Chair or Associate Chair

Starting in the second year of employment and each year thereafter, by no later than the end of the first semester, using information from faculty members' self-evaluation reports, student evaluations, and personal observations, the Chair or Associate Chair will write a letter describing each faculty member's performance in the areas of teaching, scholarly and creative activity, and service during the preceding year. The primary aim of these letters should be to foster improvement, and activities should be suggested for improving performance in specific areas where the need is indicated.

Within each of the three areas the faculty member's performance should be assigned a rating based on the following scale:

- Superior - 4
- Good - 3
- Acceptable - 2
- Poor - 1
- Unacceptable - 0

An overall rating will also be calculated according to the following formula in which "X" represents the rating assigned to teaching, "Y" represents the rating assigned to scholarly and creative activity, and "Z" represents the rating assigned to service.

$$\frac{2X+2Y+Z}{5}$$

At the appropriate time the Chair or Associate Chair will provide the letter to the faculty member and schedule a meeting to discuss it. A faculty member who is dissatisfied with the ratings assigned by the Chair or Associate Chair must meet with the Chair or Associate Chair. Other faculty members may waive the right to this meeting if the Chair or Associate Chair also agrees.

If a faculty member remains dissatisfied with the ratings assigned by the Chair or Associate Chair after this meeting, he or she may request a review of his or her performance by a committee of at least three faculty members in the department whose contracts have been renewed at least once. If a department has an insufficient number of such faculty members, then faculty members from other departments may serve. The faculty of each department should elect the review committee before the evaluation process begins. This committee reviews the faculty member's performance and evaluation and makes its recommendation to the Dean separate from the Chair's or Associate Chair's recommendation. A faculty member dissatisfied with the Dean's resolution of the issue may undertake formal grievance procedures.

F. FACULTY PROMOTION

Promotion is advancement to a higher academic rank based on academic preparation, experience, and evidence of excellence in achievement and potential. Final approval of promotions comes from the Board of Trustees upon recommendation by the Rector. Promotions become effective immediately upon final approval.

NOTE: In order to ensure smooth financial operation of the university, PMU should include a contingency amount in each annual budget in order to accommodate any salary increases associated with promotions that occur during the academic year.

1. Eligibility for Promotion Consideration

The promotion of a faculty member may be from the rank of Instructor to Assistant Professor, Assistant Professor to Associate Professor, or Associate Professor to Professor. The minimum requirements to be considered for promotion to each rank are as follows:

Assistant Professor: An assistant professor must have a doctorate in the teaching discipline from an accredited institution, and at least four years of college-level teaching experience.

Associate Professor: An associate professor must have at least four years of experience as an assistant professor.

Professor: A professor must have at least four years of experience as an associate professor.

2. Faculty Promotion Process

The faculty promotion process is an extension of the faculty evaluation process, as described in Section VI. E. Evaluation of Faculty. As in the evaluation process, primary consideration is given to the candidate's achievements in the areas of teaching, scholarly and creative activity, and service. Also as in the evaluation process, a candidate's achievements in these three areas should be considered in light of the degree to which they have demonstrated mastery of the six distinctive competencies (communication, technological competence, critical thinking and problem solving, professional competence, teamwork, and leadership) within those three areas. Finally, as in the evaluation process, the candidate's achievement in the area of teaching should carry the greatest weight in determining the recommendation for or against promotion.

The materials and information to be reviewed in making promotion recommendations and decisions are the materials and information that are generated through the faculty evaluation process, including the promotion candidate's professional portfolio, student course evaluations, the Chair's or Associate Chair's annual performance evaluation letters, and the recommendations made at each previous point in the promotion process.

The Chair or Associate Chair, Department Promotion Committee, Dean, University Promotion Committee, Vice Rector, and Rector make recommendations concerning candidates for promotion. The Rector's recommendation is made to the Board of Trustees for final approval. If, at any point during the promotion process, a positive recommendation is not forwarded to the next level, the candidate will be informed in writing, in a timely manner, by the highest-level administrator who last reviewed the candidacy.

The Chairs and Associate Chairs, Deans, and the Vice Rector for Academic Affairs will work together to develop a promotion review timetable, including deadlines for actions by candidates and for recommendations by individuals and groups involved in the process. Final decisions should be made by the end of February.

3. The Complementary Roles of Faculty and Administrators

Involving both faculty and administrators in the faculty promotion process is important to providing an education of the highest quality for all students. Each group views the institution, its students, and its faculty from different but complementary perspectives. Faculty members are most immediately concerned with the content and processes of instruction within their own classrooms. Academic administrators must take a broader view that encompasses concerns for the maintenance and integrity of the institutional framework as a whole.

Academic administrators provide a particularly valuable perspective because most are also faculty members themselves. Many are still teaching, while others have entered administration after a period of years in the classroom. In many cases academic administrators are among the most experienced faculty members in the institution.

4. Responsibilities of the Chair and Associate Chair

The Chair or Associate Chair will assemble the materials for review, including the candidate's professional portfolio, the results of student course evaluations, and the Chair's or Associate Chair's own annual evaluation letters.

When a case involves promotion to associate professor or professor, then in discussion with department faculty and the Dean, the Chair or Associate Chair will identify persons from other universities in the candidate's discipline who may serve as an external evaluator. Candidates may also offer suggestions of external evaluators. The Chair or Associate Chair will send the professional portfolio to the external evaluator along with instructions about the elements of the portfolio that should be evaluated and the criteria for assessing those elements. External evaluations will remain confidential, as will the identity of external evaluators.

The Chair's or Associate Chair's recommendation for or against promotion will be based on the candidate's self-evaluation reports, student evaluations, and the Chair's or Associate Chair's own observations. The Associate Chair's recommendation will be sent to the Chair, and the Chair's recommendation will be sent to the Dean.

5. Responsibilities of the Department Promotion Committee

The Department Promotion Committee consists of all the associate professors and professors within the department. If there are fewer than three associate professors and professors in the department, the committee, in consultation with the Chair or Associate Chair and the Dean, may invite associate professors or professors from other departments to serve as committee members. The committee chair will be elected from its membership.

The committee will base its recommendations on their review of the candidate's self-evaluation reports and student course evaluations. Deliberations of the committee shall be confidential, as shall the vote of individual members. A positive recommendation from the committee requires positive votes from at least 50% of the membership. A written recommendation will be prepared and will include the reasons for the recommendation and an explanation of the data used in reaching the decision. The committee's recommendation is forwarded to the Chair or Associate Chair.

6. Responsibilities of the Dean

The Dean's recommendation will be based on the candidate's self-evaluation reports, student evaluations, and the Dean's own observations.

7. Responsibilities of the University Promotion Committee

In order for a positive recommendation to go forward to the University Promotion Committee, at least two of the recommendations from the Department Promotion Committee, Chair, and Dean must be positive.

The membership of the University Promotion Committee consists of one associate professor or professor from each department. The full-time faculty members in each department elect their department's representative. The committee's chair is elected from among its membership.

The committee will base its recommendations on their review of the candidate's self-evaluation reports, student course evaluations, and the recommendations of the Chair or Associate Chair, Department Promotion Committee, and Dean. Deliberations of the committee shall be confidential, as shall the vote of individual members. A positive recommendation from the committee requires positive votes from at least 50% of the membership. A written recommendation will be prepared and will include the reasons for the recommendation and an explanation of the data used in reaching the decision. The committee's recommendation is forwarded to the Vice Rector for Academic Affairs.

8. Responsibilities of the Vice Rector for Academic Affairs

The Vice Rector for Academic Affairs will base his recommendation on review of the candidate's self-evaluation reports, student course evaluations, and the recommendations of the Chair or Associate Chair, Department Promotion Committee, Dean, and University Promotion Committee. He will prepare a written recommendation for each case and forward his recommendation to the Rector. He will also arrange for all previous recommendations and materials and information used in making those recommendations to be available in the event the Rector wishes to review them.

9. Responsibilities of the Rector

The Rector will base his recommendations on the Vice Rector's recommendations, although he may also choose to review any of the previous recommendations or materials and information used in making those recommendations.

The Rector's recommendation is forwarded to the Board of Trustees which has the final authority to award promotions. After the Board of Trustees makes its decision, the Rector will notify the faculty member that promotion has been awarded or that promotion has been denied.

G. FACULTY RIGHTS AND PRIVILEGES

In addition to the rights and privileges accorded to all employees of the university, faculty members have the following rights and privileges, among others:

- Access to various university facilities and services, including library, information technology facilities and equipment, dining services, recreational facilities, and others.
- Representing individual and faculty perspectives through serving on department, college, and university committees dealing with policies and procedures, shared governance issues, and other matters.
- A significant voice in the selection, evaluation, and promotion of fellow faculty members and administrators.

H. FACULTY RESPONSIBILITIES AND EXPECTATIONS

1. Faculty Workload

Faculty workload is measured in terms of contact hours. A contact hour is the amount of time and effort required for one hour of direct contact with students in an instructional setting, such as a classroom or lab. This includes the time and effort required to prepare for an hour of contact with students, to engage in that hour of contact, and to perform follow-up activities after the hour of contact. As an example, the time required for one hour of contact with students in an instructional setting might amount to three or more clock hours.

A faculty member's workload for a semester shall be expressed as a certain number of contact hours "or the equivalent" per week. The typical faculty member with a workload of 16 contact hours fulfills his or her workload responsibilities by preparing for, engaging in, and following-up on 16 hours per week of direct contact with students in instructional settings.

"Equivalent of a contact hour" refers to work assignments not directly related to contact with students in instructional settings, but equivalent in terms of the amount of time and effort required. As an example, in addition to 12 contact hours of teaching, a faculty member might be assigned some type of departmental administrative duties requiring time and effort equivalent to four contact hours. This faculty member's workload would then consist of 12 contact hours plus the equivalent of four contact hours, for a total of 16 contact hours "or the equivalent."

The standard workloads for full-time faculty are:

- Preparation Year Program, EFL faculty: 20 contact hours or equivalent per week
- Preparation Year Program, Math faculty: 18 contact hours or equivalent per week
- Preparation Year Program, Study Skills faculty: 16 contact hours or equivalent per week
- All other faculty: 16 contact hours or equivalent per week

The primary areas of faculty responsibility are teaching, scholarly and creative activity, and service. In addition, faculty members also have responsibilities as members of the university and wider communities. Following are descriptions of each of these areas of faculty responsibility.

2. Expectations and Responsibilities Related to Teaching

Faculty members have the primary teaching responsibilities for the courses in their college or program. These responsibilities include selecting texts, preparing course syllabi, planning in-class activities, constructing student assessments, keeping grade records, supervising laboratory sessions, and holding regular office hours.

In addition, in both their professional and personal behavior, faculty members should demonstrate and model for their students the knowledge, abilities, and qualities of conduct and demeanor that the university strives to instill in all of its graduates. Chief among these are the six designated learning outcomes, as described above in Section VI.E.2. Six Distinctive Competencies:

- **Communication:** the ability to communicate effectively in both English and Arabic in professional and social situations.
- **Technological Competence:** the ability to use modern technologies to acquire information, communicate, solve problems, and produce intended results.
- **Critical Thinking and Problem Solving:** the ability to reason logically and creatively to make informed and responsible decisions and achieve intended goals.
- **Professional Competence:** the ability to perform professional responsibilities effectively in both local and international contexts.
- **Teamwork:** the ability to work effectively with others to accomplish tasks and achieve group goals.
- **Leadership:** the ability to be informed, effective, and responsible leaders in family, community, and the Kingdom.

These six learning outcomes are intended to ensure that PMU students also will possess knowledge and abilities associated with mastery of the theoretical structures and methodologies of academic disciplines and professional competencies. This will further enhance their ability to function effectively as a practitioner and scholar in a selected field.

In addition to modeling the six learning outcomes, the teacher should:

- Strive to be accurate, objective, and effective.
- In the classroom, address topics and present materials consistent with teaching assignments as defined in approved course objectives.
- Encourage students' learning by manifesting the best academic standards of one's discipline or profession. The appropriate role for the teacher, both in and out of the classroom, should be as intellectual guide, counselor, and mentor.
- Establish a relationship of mutual respect and trust with students. If problems arise between teacher and student, whether regarding instructional matters or interpersonal difficulties, both parties should attempt to resolve them through informal, direct discussions before seeking resolution elsewhere.
- Demonstrate honest academic conduct and require the same from students. The PMU expects all students to engage in all academic pursuits in a manner that is above reproach and to maintain academic honesty and integrity in their academic experiences both in and out of the classroom. The best way to ensure that students will adopt and maintain such standards of academic integrity is for those standards to be modeled by their teachers.
- Assure that the evaluation of a student's academic performance reflects the student's true achievement, through the application of criteria appropriate to the field of study and the course.
- Assure that students are free to express their opinions openly and to exchange ideas without fear of retaliation.
- Never exploit students for private advantage of any type. All forms of discrimination or harassment should be avoided, with the understanding that bias of any kind threatens the integrity and effectiveness of the learning environment.
- Observe department, college, and university policies regarding such matters as the statement of course objectives, examinations, office hours, course evaluations, and any other matters related to one's teaching duties and responsibilities.

3. Expectations and Responsibilities Related to Scholarly and Creative Activity

The university's mission includes advancing and sharing knowledge for the improvement of public welfare. Accordingly, faculty members have a responsibility to engage in scholarly or creative activity, including the conduct of research, in their area of expertise.

The faculty scholar should employ critical self-discipline and judgment in advancing, sharing, and using knowledge. The scholar should adhere to the highest standards of intellectual honesty in his or her own work, and when overseeing and evaluating the work of students and subordinates. Research and other scholarly and creative activity should be performed in a manner that is consistent with accepted standards of one's discipline, and with legal, professional, and university guidelines, policies, and regulations governing such work.

4. Expectations and Responsibilities Related to Service

Faculty members should contribute through service to the university, the local and wider communities, and their professional disciplines. Examples of service activities in which the faculty member might become involved include:

- Membership on department, college, university, and *ad hoc* committees.
- Teaching continuing education or other non-credit courses.
- Serving in an official capacity in a professional organization.
- Uncompensated consultation in one's area of expertise for public benefit.
- Sponsorship of student, professional, or honorary organizations.

5. Expectations and Responsibilities Related to Membership in the University and Wider Communities

a. The university community

As colleagues, faculty members have responsibilities that derive from common membership in an academic community. These include the responsibility to:

- Respect and defend the right to free inquiry and the expression of one's views.
- Acknowledge the contributions of colleagues and students to one's own work.
- Provide honest and objective appraisals, in accordance with established department, college, and university criteria, when evaluating the performance of colleagues.
- Promote collaboration and mutual support among colleagues.

b. The wider community

As a member of the wider community, the faculty member has the rights and responsibilities of any citizen. In exercising these rights, the faculty member should make it clear that he or she is acting as an individual, either as a scholar with a particular field of expertise, or as a private citizen.

Faculty members should always remember that others may identify them as associated with the university, and that the university may be judged by their actions. In most cases there is no conflict between exercising one's rights as a citizen and one's responsibilities as a member of the university community. But if one's activities as a citizen might interfere with faculty responsibilities, the faculty member should request a leave of absence, resign from his or her appointment, or limit those activities in order to avoid interfering with one's responsibilities as a member of the university community.

I. FACULTY CONSULTING AND OUTSIDE EMPLOYMENT

A faculty member is accountable to the university for 100% of the duties associated with his or her appointment in the three areas of teaching, scholarly and creative activity, and service. In some cases a faculty member's scholarly and creative and/or service obligations may be met by engaging in consulting or applied research in conjunction with the university's Division of Research Development and Continuing Education. Such activities will be considered part of the faculty member's normal duties. In addition, consulting with students and colleagues, occasional lectures to university groups, and assistance with certain professional activities are recognized as part of the normal obligations of faculty and professional staff for which no additional compensation is required.

However, paid employment outside of one's normal faculty duties that enhances the performance of those duties is encouraged as furthering the interest of both the individual and the university. Consulting, professional performance, and other appropriate outside employment or activities can contribute to the effectiveness of the faculty member as a teacher and as a productive scholar, and can also contribute to the individual's and the institution's obligation of public service. Appropriate paid outside employment may include teaching on a temporary part-time basis at another institution, establishing or joining a firm or private business, or engaging in the private practice of a professional skill.

In no case should outside employment interfere or conflict with university responsibilities or bring about harm to the university, its students, or employees. Accordingly, the faculty member must agree to the following guidelines:

- Proper performance of one's university assignment is paramount, and outside work will assume a position secondary to university duties.
- The performance of consulting or outside employment activities will not require a time commitment averaging more than one day per calendar week.
- These activities will be scheduled so as not to interfere with regularly scheduled classes or other faculty duties.
- The faculty member will preserve the best interests of the university by avoiding any conflict of interest.
- The faculty member may not use any materials or facilities of the university in the course of outside employment unless such use is explicitly authorized, in writing, by the Vice Rector for Finance and Business Affairs.
- The faculty member will make a reasonable effort to assure that outside employment is not identified with the university.

Before engaging in outside employment, the faculty member must submit a written request to the Chair or Associate Chair. The review of such requests will include consideration of any real or apparent conflict of interest, and any potential benefit to the university. Requests for outside employment must be approved by the Associate Chair (when appropriate), the Chair, the Dean of the College, and the Vice Rector for Academic Affairs.

J. INTELLECTUAL PROPERTY

Intellectual property (IP) may include (but is not limited to) any invention, discovery, trade secret, technology, scientific or technological development, computer software, or other form of expression that is in a tangible form, regardless of whether subject to protection by patent, trademark or copyright laws, or as a trade secret related to "know how" in applying technology.

The university encourages participation by faculty in scholarly and creative and research activities, particularly those activities that enhance the fulfillment of their faculty responsibilities and serve the public welfare. While research conducted by university faculty members is aimed primarily at discovery and dissemination of knowledge rather than gains from commercial application, it is recognized that questions regarding IP rights may arise from such activities.

It is the intent of this and other policies related to IP to balance the interests of the university and the inventor, author, or creator of IP arising from scholarly and creative and research activities conducted by faculty members of the university. The university further seeks to ensure that inventions, discoveries and creative works are used and controlled in an efficient and prudent manner that will result in maximum benefit to the university and the inventor, author, or creator.

In collaboration with the university's Internal Research Advisory Committee and External Research Advisory Committee (operating in conjunction with the Division of Research Development and Continuing Education), the university administration will continually review and revise this and other policies related to IP. Among others, the issues addressed by these policies include:

- Ownership and sharing of licensing and royalty fees. As a general principle, employee-created IP will be owned by the university if the IP is:
 - Created by an employee within the scope of employment.
 - Created on university time with the use of university facilities or financial support.
 - Commissioned by the university pursuant to a signed contract.
 - A result of research supported by third party sponsorship.
- Responsibility for costs of patenting and licensing of IP normally assumed by the university but repaid from licensing and technology transfer activities.
- Development of technology transfer strategies to encourage entrepreneurial developments.
- Creation of incubators and technology accelerators for regional economic development.

K. FACULTY DEVELOPMENT

The university's professional development program for faculty is designed to enhance the teaching effectiveness and scholarly growth of faculty.

1. Professional Development Center

PMU's planned methodologies of teaching and processes of assessing student achievement are new to the region. The emphasis will be on what students learn, rather than what teachers teach. A set of six competencies and learning outcomes will address what PMU graduates will need to know, and what they must be able to do, in order to be successful in their chosen fields and to contribute to the development of their community and the Kingdom.

It is expected that all faculty will require introduction and ongoing support in implementing the university's unique learning culture. Faculty will be expected and when necessary required, to make full use of the resources available to them through the PMU Professional Development Center. Among the programs in which faculty should participate are:

- Workshops and seminars
- Online modules
- Consultations (individual)
- Consultations (department or other groups)
- Colloquia
- Review and guided revision of teaching materials
- Certificate programs to attest to faculty and staff mastery of specific competencies (especially in assessment)

These resources will be essential for faculty of the Preparation Year Program and the Assessment Capstone Series, but they also will be important in assisting all faculty in achieving the student-centered, outcomes-based pedagogy that will be characteristic of the PMU.

2. Professional Conferences

The university will provide funding for each faculty member to attend at least one conference per year in his or her discipline or in the general area of instructional effectiveness.

3. Professional Portfolio

Each faculty member should begin creating a professional portfolio during the first semester of employment, and should thereafter continually update and maintain it. Details about the format and contents of the professional portfolio are contained in Section III.E.b. Professional Portfolio.

4. Faculty Development Leave

The faculty development leave program is intended to enable faculty members to engage in research, writing, field observation, internships, or other suitable academic or professional activities to improve their effectiveness as faculty members. The program places special emphasis on providing opportunities to faculty members in departments with program areas that undergoing development or with already existing program areas needing faculty members with expertise not currently available, applied experience that would improve effectiveness, or additional appropriate terminal degrees.

Faculty development leaves are awarded on a competitive basis to those applicants who demonstrate the greatest potential for contributing to the programs and students of the university. Faculty development leaves are a privilege that may be granted by the Board of Trustees at their discretion, and should not be considered a faculty right.

a. Applicant Eligibility

The applicant for a faculty development leave must hold a full-time faculty appointment at the university at the time of application, and the applicant's contract must have been renewed at least once. A faculty member who receives a faculty development leave should not ordinarily apply for an additional leave more frequently than every five years. The Board of Trustees may waive these time requirements when the interests of the university would be best served by granting earlier or more frequent leaves.

Time spent on faculty development leave will not apply toward the minimum years of experience that are required for promotion. A faculty member may not apply for promotion during the period of the leave.

b. Compensation

Faculty development leaves will either be awarded for one academic year at one-half of the applicant's regular salary or for one regular semester at the full regular salary. While on leave, the faculty member is eligible to receive the benefits made available by the university to faculty members. Faculty members are responsible for negotiating the salary at which they will return to the university prior to beginning the leave.

A faculty member on development leave may accept a grant for study, research, or travel from any institution of higher education, from a charitable, religious, or educational corporation or foundation, or from any government entity. However, he or she may not accept any employment unless specifically approved by the Board of Trustees. The faculty member's total compensation during the period of the leave, including the university's contribution and any external funding, should not exceed the applicant's full salary for a comparable period of regular employment.

c. Faculty Member's Obligation

A faculty member who receives a faculty development leave will be obligated to return to the university for a minimum period of two years after the leave. Faculty members who do not fulfill this obligation must reimburse the university for the salary and benefits received during the period of the leave.

However, the granting of a faculty development leave does not obligate the university to continue the services of the faculty member with the university. Should the university terminate or choose not to renew the faculty member's contract prior to completion of this mandatory service time, the faculty member has no obligation to reimburse the university.

The faculty member must submit to the Chair or Associate Chair a written report of activities undertaken while on leave within one regular semester after his or her return.

d. Application Process

The proposal for a faculty development leave must be submitted to the Chair or Associate Chair at least one semester prior to the beginning of the proposed leave. Proposals must be submitted in the format prescribed in the appendix to this policy.

The basic criteria for approval are the benefits of the proposed activity to the university community, the quality and feasibility of the proposal, and the qualifications and accomplishments of the applicant.

The request must be approved by the Chair or Associate Chair, the Dean, the Vice Rector for Academic Affairs, and the Rector. Final approval is granted by the Board of Trustees.