

THE UNIVERISTY OF TEXAS AT TYLER.  
DBA  
UT TYLER UNIVERSITY ACADEMY  
BOARD POLICY MANUAL  
POLICY GROUP 5 – FISCAL MANAGEMENT

**PG-5.001: AUTHORITY OVER FISCAL MATTERS**

**Sec. 1. PURPOSE OF POLICY.**

Through this policy, the Board of Directors (hereafter, the “Board”) of The University of Texas at Tyler doing business as UT Tyler University Academy (hereafter, the “School”) shall address the legal requirements, as applicable, promulgated at:

- (a) Texas Business Organizations Code (“Tex. Bus. Org. Code”) Sections 3.101, 22.201, 22.221 and 22.235;
- (b) Texas Education Code (“Tex. Ed. Code”) Sections 12.111(a)(16), 12.115(a)(2) and 12.121;
- (c) Texas Administrative Code, Title 19 (“19 TAC”), §§ 100.1033 and 100.1101;
- (d) Code of Federal Regulations, Title 2 (“2 CFR”), § 200.303;
- (e) *Standards for Internal Control in the Federal Government* (September 2014) promulgated by the Comptroller General of the United States;
- (f) *Internal Control – Integrated Framework* (2013 Update) issued by Committee of Sponsoring Organizations of the Treadway Commission;
- (g) *Government Auditing Standards* (2018 Revision) promulgated by the U.S. Government Accountability Office; and
- (h) Financial Accountability System Resource Guide.

Additionally, through this policy, the Board shall address best practices adopted by public schools.

**Sec. 2. APPLICABILITY.**

This policy shall act as a keystone fiscal policy and shall apply to all other Board policies or administrative procedures. In the event of any conflict with other Board policy or administrative procedure, the requirements set forth in this policy shall prevail and govern. Accordingly, Board policies should include an appropriate reference to this policy.

**Sec. 3. FINAL AUTHORITY.<sup>1</sup>**

Sec. 3.1. Absent a specific delegation of a power or duty (as approved by the commissioner of education, where applicable), the Board may not delegate, and thus retains, functioning as a body corporate, final authority to exercise the following powers and duties:

- (a) Adopt and amend policy;

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<sup>1</sup> Tex. Bus. Org. Code §§ 3.101 and 22.201; Tex. Ed. Code §§ 12.111(a)(16) and 12.121; 19 TAC §§ 100.1033(b)(14)(C)(ii)-(iv) and 100.1101(a)/(d)





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Any delegation of authority to a designee not documented as set forth in this section shall be null and void.

Sec. 4.2. Any delegation of authority notwithstanding, the Delegate remains responsible for the business arrangement or transaction undertaken or that should have been undertaken pursuant to this and other Board policy, including the reporting and accounting of business expenses by School officers and employees.

**Sec. 5. OFFICER.**

For the purposes set forth in this and other Board policy, *Officer* means a person charged with the duties of, or acting as, a chief executive officer, a central administration officer, a campus administration officer, or a business manager<sup>11</sup> including individuals employed in the following central administrative and campus leadership positions:

- (a) Chief Executive Officer and Superintendent,
- (b) Deputy Superintendent,
- (c) Assistant Superintendent of Curriculum and Instruction,
- (d) Business Manager,
- (e) Director of Federal Programs,
- (f) Principal,
- (g) Assistant Principal, and
- (h) Any other person that may be characterized as an officer under applicable law.

**Sec. 6. BOARD AUTHORIZATION REQUIRED.**

Sec. 6.1. Consistent with Sec. 3 of this policy and the Board's fiduciary duties and standard of care established under applicable law, the Delegate shall present to the Board for approval any business arrangement or transaction with a cost or value greater than or equal to \$50,000 or that relates to an officer, as defined in Sec. 5 of this policy, or conflicted,<sup>12</sup> interested,<sup>13</sup> or related<sup>14</sup> party, as defined in other Board policy or applicable law.

Sec. 6.2. The Delegate shall present all contracts to the Board for its approval.<sup>15</sup>

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<sup>11</sup> 19 TAC § 100.1001(16)

<sup>12</sup> Tex. Ed. Code § 12.1054; 19 TAC §§ 100.1131 through 100.1135

<sup>13</sup> 19 TAC § 100.1047(f) Note: The UT Tyler University Academy Board does not approve contracts unless vendor requests approval.

<sup>14</sup> Tex. Ed. Code § 12.1166

<sup>15</sup> *El Paso Education Initiative, Inc. v. Amex Properties, LLC*, 385 S.W.3d 701, 706, 708 (Tex. App.—El Paso 2012, pet. denied.). Tex. Bus. Org. Code §§ 3.101 and 22.201; Tex. Ed. Code §§ 12.115(a)(2) and 12.121; 19 TAC §§ 100.1033(b)(14)(C)(ii), 100.1043(a)(2) and 100.1101(a)(d)

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**Sec. 7. PRUDENT PERSON RULE.<sup>16</sup>**

In their use of the funds, property and other organizational resources, such as established lines of credit and the talents of and time worked by employees and contractors, officers and employees shall limit their use of funds and property to purposes pertaining to the School's mission and to those activities, functions, programs, and services that are ordinary and necessary for the conduct of the School's mission. Importantly, in their use of funds, officers and employees shall only incur costs that, by their nature and amount, do not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time that the decision was made to incur the cost.

**Sec. 8. ABUSE AND WASTE PROHIBITED.**

Sec. 8.1. Officers and employees shall not abuse or waste funds, property and other organizational resources, such as established lines of credit and the talents of and time worked by employees and contractors.

Sec. 8.2. For purposes of this policy, abuse is defined as behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary business practice given the facts and circumstances. Abuse includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate.<sup>17</sup>

Sec. 8.3. For purposes of this policy, waste is defined as the act of using or expending resources carelessly, extravagantly, or to no purpose. In this context, waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight.<sup>18</sup>

**Sec. 9. TRAINING AND UPDATES.<sup>19</sup>**

The Delegate or designee shall properly train or ensure training is provided to School officers and employees on the requirements of this policy and any administrative procedures adopted to implement this policy. Additionally, the Delegate or designee shall keep School officers and employees informed of any changes to this policy and related requirements.

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<sup>16</sup> Tex. Bus. Org. Code § 22.221; Tex. Prop. Code §§ 163.004, 163.005 and 163.006; 2 CFR § 200.303(a) and *Standards for Internal Control in the Federal Government* § 8.03; 2 CFR § 200.404; *Government Auditing Standards* §§ 6.23, 7.25, and 8.122.

<sup>17</sup> *Government Auditing Standards*, Sec. 6.23, 7.25 and 8.122

<sup>18</sup> *Government Auditing Standards*, Sec. 6.21, 7.23 and 8.120

<sup>19</sup> 2 CFR § 200.303(a), U.S. Government Accountability Office *Standards for Internal Control in the Federal Government*, 4.02 and 4.05.

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**Sec. 10. ADMINISTRATIVE PROCEDURES.<sup>20</sup>**

The Delegate shall formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable law and rule. In doing so, the Delegate shall not adopt, and is prohibited from adopting, an administrative procedure that conflicts with applicable law or this policy. Accordingly, the Delegate shall confer with the Board or legal counsel before deviating from the requirements set forth in this policy. In the event that a deviation from this policy becomes necessary, the Delegate shall either recommend an amendment to this policy or the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.

**Sec. 11. DATE ADOPTED AND EFFECTIVE.**

As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on 7/18/2024 and became effective on 7/18/2024.

**Sec. 12. RETENTION.<sup>21</sup>**

This policy shall be retained until superseded, expired, or discontinued and for five (5) years thereafter in accordance with state law.

**Sec. 13. CERTIFICATION.**

The Undersigned, being the Secretary of the Board, hereby certifies that the foregoing represents a true copy of the Board Policy relating to Authority Over Fiscal Matters, as originally adopted by

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<sup>20</sup> Consistent with 19 TAC § 100.1033(b)(14)(C)(iv), the Board has the final authority to adopt policies governing charter school operations, including authorizing the Delegate or designee to adopt an administrative procedure to implement this policy. Moreover, as set forth in School's Articles of Incorporation and Bylaws and in accordance with Tex. Bus. Org. Code §§ 3.101 and 22.201, the Board is School's governing authority and, as such, manages and directs School's business and affairs through Board actions, resolutions and policy.

<sup>21</sup> Tex. Ed. Code § 12.1052; 19 TAC § 100.1203; See Record Number GR1000-38 and GR1025-25 in Local Schedule GR: Records Common to All Local Governments, Revised 5th Edition (Effective April 17, 2016) adopted by the Texas State Library and Archives Commission at Texas Administrative Code, Title 13, § 7.125(a)(1).

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the Board on 7/18/2024, which Policy is in full force and effect and has not been revoked or amended.

DocuSigned by:  
*Michael Odell*

Dr. Michael Odell, Secretary

7/18/24

Date Certified