Title 4 - Codification of Board Policy Statements

Chapter 10

GENERAL BUSINESS MANAGEMENT

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Section 1. Purchasing Policy

1. Chapter 333.470 of *Nevada Revised Statutes*, exempts the Nevada System of Higher Education (NSHE) from the general provisions of the State Purchasing Act and provides that the NSHE may use the State Purchasing Division on a voluntary basis for any purpose.

   All contracts shall be executed and administered in accordance with the policies and procedures set forth by the Chancellor.

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

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

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

   a. If such lowest bids are by bidders resident in Nevada, accept the proposal which is in the best interests of the NSHE.

   b. If such lowest bids are by bidders resident outside Nevada, with the exception of capital construction projects:

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

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

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

5. The Chancellor shall establish basic purchasing procedures.

6. Scientific Equipment. Faculty may designate the specific manufacturer of scientific equipment; however, the Purchasing Department shall have the responsibility of procuring competition of vendors whenever possible.
7. **Conflicts of Interest Prohibited.**

   a. In addition to such conflicts of interest prohibited by law, it shall also be prohibited for a member of the Board of Regents or an employee of the NSHE:

      (1) to become a contractor or a vendor for the purchase of supplies, equipment, services and construction under any contract or purchase order of any kind authorized by the NSHE under the provisions of this chapter, or

      (2) to be interested, directly or indirectly, through any member of a Regent's or employee's household, as defined by *Nevada Revised Statutes* 281A.100, or through any business entity in which the Regent or employee has a financial interest, in any kind of contract or purchase order so authorized by the receipt of any commission, profit or compensation of any kind.

   b. Except where prohibited by law, exceptions to this policy may be permitted:

      (1) for contracts or purchase orders for which the proposed contractor or vendor is the sole source for the contract or purchase order and has not participated in or otherwise actively influenced the consideration or acceptance of offers for the contract or purchase order, or

      (2) when, in the judgment of a President of a member institution, the public interest would best be served by making such an exception.

8. **Cash Management Services.** Cash management services for the NSHE will be awarded for a period of five years, with a two-year option to extend, and with an option to cancel for nonperformance. The selection process shall involve issuance of a technical Request for Proposal (RFP) developed by the director of banking and investments, with input from institutional representatives. The RFP shall comply with the Board of Regents and State of Nevada procurement regulations.

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

9. **Real Property Transactions**

   All real property transactions are subject to the requirements of this Section and Table 9.1.

   a. Except as otherwise provided in Table 9.1, the vice chancellor for legal affairs shall review all contracts, deeds, and other documents related to real property transactions and shall approve the same as to form prior to execution.

   b. The Chancellor may authorize the retention of a licensed real estate broker to assist in any real estate transaction upon such terms and conditions as he or she deems appropriate. Such authorization may include the payment of a reasonable and customary real estate commission.

   c. Every proposed real estate transaction shall be based on an arm's length transaction. Conflicts of interest or other reasons that could lead a reasonable person to question the independence of the transaction must be disclosed to the approving authority. All real estate transactions are subject to applicable laws and policies relating to conflicts of interest and ethical standards, including those related to affiliated foundations.
d. In July and January of each year, each institution shall submit a report to the Chancellor listing all real property transactions approved by the institution’s President pursuant to the authority granted in Table 9.1 in the proceeding semiannual period. Information about the retention of any real estate agent or broker for a transaction shall be included in the report.
**Table 9.1 - NSHE Real Property Transactions:**

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<th>Transaction:</th>
<th>Type:</th>
<th>Approving Authority</th>
<th>Conditions and Restrictions:</th>
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<tbody>
<tr>
<td>Purchase or Sale</td>
<td>Approval to negotiate</td>
<td>Chancellor</td>
<td><em>Before an institution can commence negotiations for the purchase or sale of real property, the Chancellor’s written approval must first be obtained. Once the Chancellor has approved the negotiation for the purchase or sale of real property he or she shall promptly inform the chair of the Board of Regents and the chair of the Business, Finance and Facilities Committee of that fact.</em>&lt;br&gt;<em>No prior approval is necessary to negotiate the purchase or sale of real property identified for acquisition or sale pursuant to a campus master plan that has been approved by the Board of Regents.</em>&lt;br&gt;<em>Any contract, memorandum of understanding, letter of intent or similar document related to the proposed sale or acquisition of real property shall contain a provision similar to the following: “This [purchase or sale] offer is contingent upon the approval of the terms of the [purchase or sale] by the Board of Regents of the Nevada System of Higher Education. If the Board of Regents, in its sole and absolute discretion, does not approve the terms of this [purchase or sale] the offer made herein shall be deemed null and void without the necessity of further documentation and shall be deemed to be of no binding effect whatsoever.”</em>&lt;br&gt;<em>Any purchase or sale of real property must be approved by the Board of Regents and all property shall be acquired in the name of the Board of Regents of the Nevada System of Higher Education on behalf of the respective institution.</em>&lt;br&gt;<em>A current appraisal by a licensed real estate appraiser concerning the fair and reasonable market value of the property proposed for acquisition or sale shall be submitted to the Board of Regents at the time of the request for approval of the transactions. “Current appraisal” is defined as an appraisal having an effective date of not more than twelve (12) months prior to the Board of Regents consideration of the purchase or sale.</em>&lt;br&gt;<em>The Board in its discretion may waive the requirement for an appraisal.</em></td>
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<td>Transaction</td>
<td>Type:</td>
<td>Approving Authority</td>
<td>Conditions and Restrictions:</td>
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<td>Dedication</td>
<td>Approving</td>
<td>Chancellor</td>
<td>* “Dedication” means transfer of ownership of land to a governmental entity required by the governmental entity as a condition of approval of a development application. For example, a deed of dedication of property that will be used for a flood control project. * A dedication may be approved by the Chancellor provided that the Chancellor determines that (i) there is an essential nexus between the dedication and a public burden created by the proposed development, (ii) the dedication is roughly proportional to the public burden created by the proposed development, and (iii) notice of intent to dedicate the property to the government entity is given to the members of the Business, Finance and Facilities Committee of the Board of Regents at least fifteen (15) days prior to dedication.</td>
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<td>Right of Way Vacation</td>
<td>Approving</td>
<td>Institution President</td>
<td>* “Right of Way Vacation” means the removal of public ownership or interest in property and the relinquishment of that interest to NSHE as abutting property owner. For example, a local government may vacate its interest in a bus turn-out located on or adjoining NSHE property. * A right of way vacation may be accepted by the institution President provided he or she determines that (i) doing so is consistent with the applicable campus master plan, and (ii) doing so will not adversely impact the value and use of the abutting NSHE property. * Right of way vacations shall be reviewed by the institution’s general counsel, which shall approve the same as to form prior to execution.</td>
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<td>Easement</td>
<td>Approving</td>
<td>Board of Regents</td>
<td>* “Affirmative Easement” means an easement that allows another to use or access NSHE property for a specific purpose. For example, an easement that allows a company to erect and maintain a cellular phone tower. * The Chancellor may, in his or her discretion, require a current appraisal as part of any request to approve an affirmative easement. “Current appraisal” is defined as an appraisal having an effective date of not more than twelve (12) months prior to the Board of Regents’ consideration of the affirmative easement.</td>
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<td>Transaction:</td>
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<td>Conditions and Restrictions:</td>
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<td>Negative Easement</td>
<td>Chancellor</td>
<td>* “Negative Easement” means an easement that prevents or limits NSHE from using its property in a manner in which it would otherwise be entitled. A negative easement does not grant the holder any right to possession of the property. For example, a conservation easement is a negative easement. * A negative easement may be approved by the Chancellor provided that (i) the Chancellor determines that the easement is consistent with the applicable campus master plan and that the granting of the easement is in the best interest of the System, (ii) the easement will not adversely impact the value and use of the property, and (iii) notice of intent to grant the easement is given to the members of the Business, Finance and Facilities Committee of the Board of Regents at least fifteen (15) days prior to the granting of the easement.</td>
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<td>Utility Easement</td>
<td>Chancellor</td>
<td>* “Utility Easement” means an easement that allows a utility company to use or access NSHE property. Notwithstanding the foregoing, a utility easement that relates to a utility surface structure that occupies more than 10,000 square feet shall constitute an affirmative easement. *A utility easement may be approved by the Chancellor provided that (i) the Chancellor determines that easement is consistent with the applicable campus master plan and that the granting of the easement is in the best interest of the System, (ii) the easement will not adversely impact the value and use of the property, and (iii) notice of intent to grant the easement is given to the members of the Business, Finance and Facilities Committee of the Board of Regents at least fifteen (15) days prior to the granting of the easement.</td>
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<td>Transaction:</td>
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<tr>
<td>Public Easement</td>
<td>Chancellor</td>
<td></td>
<td>* “Public Easement” means an easement granted to a governmental entity allowing use or access to NSHE property for a public purpose. For example, an easement that allows the construction and maintenance of a bus stop. Notwithstanding the foregoing, a Public Easement that encompasses more than 10,000 square feet shall constitute an affirmative easement. * A public easement may be approved by the Chancellor provided that (i) the Chancellor determines that the easement is consistent with the applicable campus master plan and that the granting of the easement is in the best interest of the System, and (ii) notice of intent to grant the easement is given to the members of the Business, Finance and Facilities Committee of the Board of Regents at least fifteen (15) days prior to the granting of the easement.</td>
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<td>Temporary Easement</td>
<td>Institution President</td>
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<td>* “Temporary Easement” means an easement that allows another to use or access NSHE property for a period of no longer than twenty four (24) months. For example, a temporary construction easement. * A temporary easement may be approved by an institution President provided that (i) the institution President determines that the temporary easement is consistent with the applicable campus master plan and that the granting of the temporary easement is in the best interest of the institution. * The party requesting the temporary easement must agree to return the property to the condition it was in at the time of entry. * The party requesting the temporary easement must agree to indemnify the Board of Regents, its officers and employees for any and all damages arising from the temporary easement. * Temporary easements shall be reviewed by the institution’s general counsel, which shall approve the same as to form prior to execution.</td>
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<td>Transaction:</td>
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<td>Conditions and Restrictions:</td>
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| Lease       | Minor Lease | Institution President | * “Minor Lease” means a lease with a demising period of two (2) years or less and total consideration of $50,000 or less. For purposes of this definition, any renewal or option period(s) shall be added to the fixed term to determine the demising period. The forgoing definition shall apply to all leases, whether NSHE is the landlord or the tenant.  
* Any amendment or modification to a previously approved minor lease that would extend the demising period or increase the total consideration such that the lease becomes a short term lease or long term lease shall be approved as required by this chart.  
* Minor leases shall be reviewed by the institution’s general counsel, who shall approve the same as to form prior to execution. |
| Short Term Lease | Chancellor | | * “Short Term Lease” means a lease with a demising period of greater than two (2) years and up to five (5) years, or alternatively, where the total consideration is greater than $50,000 but not more than $500,000. For purposes of this definition, any renewal or option period(s) shall be added to the fixed term to determine the demising period. The foregoing definition shall apply to all leases, whether NSHE is the landlord or the tenant.  
* The exercise of any renewal or option period(s) as part of a short term lease may be approved and executed by the institution President.  
* Any amendment or modification to a previously approved short term lease that would extend the demising period to greater than five (5) years, or increase the total consideration to greater than $500,000 must be approved by the Board of Regents. All other amendments or modification to a previously approved short term lease may be approved by the Chancellor. |
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<td>Long Term Lease</td>
<td>Board of Regents</td>
<td>* “Long Term Lease” means a lease with a demising period of greater than five (5) years, or alternatively, where the total consideration is greater than $500,000. For purposes of this definition, any renewal or option period(s) shall be added to the fixed term to determine the demising period. The foregoing definition shall apply to all leases, whether NSHE is the landlord or the tenant. *The exercise of any renewal or option period(s) as part of a long term lease may be approved and executed by the institution President. *Except as otherwise provided in the lease itself, any amendment or modification to a previously approved long term lease must be approved by the Board of Regents.</td>
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<td>Student Union Retail Lease</td>
<td>Institution President</td>
<td>**“Student Union Retail Lease” means a lease of 5,000 square feet or less of retail space within a student union or similar facility with a demising period of fifteen (15) years or less. For purposes of this definition any renewal or option period(s) shall be added to the fixed term to determine the demising period. *Student union retail leases may be approved by the institution President provided that the general form of the lease used for the facility has previously been approved by the Board of Regents. * Student union retail leases shall be reviewed by the institution’s general counsel, who shall approve the same as to form prior to execution.</td>
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<td>License</td>
<td>Institution President</td>
<td>**“License” means written permission to use NSHE property for a limited purpose for a limited time. A license is revocable at the will of the grantor and the grantee obtains no interest in the property. For example, permission to operate a concession stand at a sporting event may be made via a license. *Licenses shall be reviewed by the institution’s general counsel, who shall approve the same as to form prior to execution.</td>
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(B/R 12/20)
Section 2. Supplier Diversity Spending and Inclusion Policy

1. The NSHE supports equal opportunity for minority-owned, women-owned and other small disadvantaged business enterprises (MWDBE) to compete for contracts awarded by NSHE institutions. The NSHE supports efforts to encourage local businesses to compete for NSHE contracts. In addition, the NSHE supports finding opportunities for such MWDBE and local business concerns to participate as subcontractors or tier 2 suppliers in large contracts. A “tier 2 supplier” or subcontractor is a supplier who is contracted for goods or services with the prime contractor, and may include, but is not limited to MWDBE and local business enterprises.

2. NSHE institutions shall report annually to the Inclusion, Diversity, Equity and Access (“IDEA”) Committee on tier 2 supplier expenditures with MWDBE and local business concerns for prime contracts awarded by NSHE institutions that exceed $1,000,000. The vice chancellor for budget and finance shall develop procedures defining the information that must be included in each report.

(B/R 12/21)

Section 3. Payment of Commissions to Third Parties

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

(B/R 5/91)

Section 4. Loan Policy

Except as otherwise authorized by law, NSHE policy, or as approved by the Board of Regents, the donation, loan, or advancement of institution funds or its credit is prohibited.

(B/R 12/02)

Section 5. Statement of Investment Objectives and Policies for the Endowment Fund

1. Introduction
   a. This statement of investment objectives and policies (the “Guidelines”) governs the investment management of the Endowment Fund (the "Fund") of the NSHE (the "System"). These Guidelines relate to the Fund as a whole. The purpose of these Guidelines is to establish a clear understanding between all parties as to the objectives, investment policies, and goals of the Fund.
   b. The Regents are responsible for establishing the investment policies for the Fund. Accordingly, the Regents have promulgated these Guidelines pursuant to which they have established permitted asset classes, ranges, and distribution policy. The Regents will review and revise these Guidelines from time to time as appropriate.
c. The Regents have delegated to the Investment Committee (the "Committee") the oversight of the Fund. The Chancellor and the Chief Financial Officer or designee shall serve as ex officio nonvoting members of the Committee. The Chair of each University Foundation Investment Committee or their designee shall serve as an ex officio nonvoting member of the Committee to provide advice for items involving the Endowment Fund. The Board Chair shall appoint a Chair of the Committee and may appoint one or more individuals with investment knowledge or expertise to serve as nonvoting members of the Committee. Minutes of each meeting of the Investment Committee shall be provided to the Regents for acceptance at their next meeting.

d. The Regents have granted investment management authority of the Fund to an Outsourced Chief Investment Officer service providers (the “Fund Manager”). The Fund Manager will manage the Fund on a discretionary basis, in accordance with the guidelines listed below.

e. No member of the Board of Regents and no voting or nonvoting member of the Committee shall accept or approve the acceptance by staff or any other person of any gift, travel expense, or other perquisite proffered by an investment manager, the value of which exceeds $25, without the advance approval of the Committee. Regents and employees of the System are also subject to the Code of Ethical Standards of the State of Nevada codified at NRS 281A.400-480 and promulgated to govern the conduct of public officers and employees, and Regents are also subject to certain additional conflict of interest provisions.

2. Objectives

a. The long-term financial objectives of the Fund are to provide a relatively stable stream of spendable revenue that increases over time at least as fast as the general rate of inflation, as measured by the Consumer Price Index. In order to achieve this objective over the long term, the unit value of the Fund must also increase at least as fast as the rate of inflation.

b. The long-term objectives of the Fund should align with the following overall Nevada System of Higher Education goals.
   i. Increase participation in post-secondary education.
   ii. Increase student success.
   iii. Close the achievement gap among underserved student populations.
   iv. Collaboratively address the challenges of the workforce and industry education needs of Nevada.
   v. Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile.

c. Consistent with the exercise of fiscal prudence and to more fully reflect the highly diverse population of Nevada and the System’s institutional values of inclusion, diversity, equity and access, the System seeks to achieve robust diversity within its investment program and through enhanced inclusive investment practices by its Fund Manager. Accordingly, the Fund Manager will make best efforts to hire diverse investment managers that are women, disadvantaged and minority owned.

d. To meet the long-term financial objectives, the long-term investment objective of the Fund is to achieve an average annual real total return at least equal to the contemplated distribution rate set forth in Section 3 below over ten-year periods, net of fees. It is recognized that the real return objective may be difficult to attain in every ten-year period, but the Fund will seek to achieve the objective over a series of ten-year periods. In order to achieve this objective over extended periods, endowments have had to exceed the objective substantially during some periods, such as the 1980s, in order to compensate for shortfalls during other periods, such as the 1970s.
It is also recognized that given the static nature of this objective, it is not directly related to market performance; this reinforces the view that success or failure in achieving this objective should be evaluated in the context of the prevailing market environment and over the long term. The secondary objective of the fund is to outperform the Fund’s custom Policy Benchmark (set forth in 5(b)(1) below) over rolling three-year periods.

e. The Fund will be invested in a manner that is expected to maximize the long-term total return with reasonable and acceptable levels of investment risk. Investment risk is defined in two ways: (1) the possibility of investments declining in value, and (2) the expected performance volatility of the investments in the portfolio. The Fund aims to achieve the stated return objective with a targeted annualized standard deviation similar to a simple blend of 70% global stocks (MSCI All Country World Index)/30% Bonds (Barclays Aggregate) portfolio over rolling five- to ten-year periods (or a full equity market cycle). Similar to the return objective, it is recognized that these objectives may be difficult to attain in every five-year period, but the Fund will seek to achieve these objectives over a series of five-year periods.

3. Endowment Distribution Policy

a. The distribution policy represents the guidelines and administration of the annual amount of funds which can be withdrawn from the fund and made available for distribution each year. The Regents are responsible for review of the distribution policy and approval of the distribution rate.

b. Total cumulative distributions from the Endowment Fund in each fiscal year shall not exceed 4.5 percent, subject to the restrictions herein, of the average market value for the 20 quarters ending December 31 immediately preceding such fiscal year. For example, distributions for Fiscal Year 2016-17 will be based on the fund’s average ending quarterly market values for the 20 consecutive quarters ended December 31, 2015.

i. Within the 4.5 percent distribution rate, up to 4.25 percent may be distributed for spending, and institutions with a management fee agreement may distribute a management fee of up to 1.5 percent.

ii. Subject to Board of Regents’ approval of an institution’s request, an annual management fee of up to 1.5 percent of the institution’s portion of the NSHE endowment pool, subject to the restrictions in Subsection i above, and calculated and distributed in the same manner as the spending, will be transmitted to that institution in consideration of additional foundation management, stewardship and development activities. Any transfer of such funds directly to the foundation for such activities is subject to the institution having an operating agreement in place between the institution and the foundation providing for adequate accounting and oversight of such funds consistent with Board of Regents’ requirements specified in Title 4, Chapter 10, Section 10. After the management fee has been approved by the Board of Regents, the management fee may only be suspended or revoked by the Board of Regents:

1) due to a material breach of the operating agreement,
2) upon the declaration of a financial exigency by the Board of Regents, or
3) without cause and effective June 30 upon written notice to the institution no later than March 1 of the preceding year.

iii. Institutions will report annually the distribution allocation to the Chief Financial Officer.
c. No withdrawals from the Endowment Fund other than to fund distribution to campuses noted above and the System management fee noted in 3(f) below are permitted without the prior approval of the Regents.

d. Any withdrawal will be approved by the Chancellor, Chief Financial Officer or designee who will also specify the operating checking or money market accounts for receipt of such withdrawal. The Fund Manager will determine the source of these funds.

e. The spending policy shall be administered by the Chancellor, Chief Financial Officer or designee in accordance with the Uniform Prudent Management of Institutional Funds Act, adopted by the Regents in accordance with the authority granted to them by *Nevada Revised Statutes (NRS)* 396.380 and NRS 396.420 to control and invest the System's funds.

f. A .125 percent management fee will be imposed on the endowment pool for Board and System Administration expenses beginning July 1, 2001.

4. **Fund Composition and Asset Allocation**

   a. The Fund will be managed according to Long-Term Policy asset allocation targets and ranges outlined as follows:

<table>
<thead>
<tr>
<th>Allocation</th>
<th>Target</th>
<th>Policy Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>62%</td>
<td>50%-70%</td>
</tr>
<tr>
<td>Diversifiers</td>
<td>18%</td>
<td>5%-25%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>10%</td>
<td>5%-20%</td>
</tr>
<tr>
<td>Fixed Income &amp; Cash</td>
<td>10%</td>
<td>5%-25%</td>
</tr>
</tbody>
</table>

   Due to the nature of the Investment Assets in which the Fund Manager invests the client portfolio, from time to time, it may be necessary for the portfolio to temporarily exceed or fall below the exposures set forth within the Policy Ranges/Investment Guidelines to facilitate efficient movement between paired transactions of Investment Assets. Such temporary deviations shall not constitute a breach of the Policy Ranges/Investment Guidelines provided that the exposure deviations are rectified within one business day.

   b. Roles of Investments

   i. The purpose of Growth Assets (e.g. domestic stocks, foreign stocks, equity hedge funds, private equity, venture capital and growth-oriented debt) is to provide a stream of current income and appreciation of principal that more than offsets inflation. It is recognized that pursuit of this objective could entail the assumption of significant variability in price and returns. Return premiums may exist for investors who accept the illiquid and inefficient characteristics of the private equity market. For private investments, the performance objective is to achieve an internal rate of return over the life of the investment that is commensurate with public equity benchmarks plus a premium for illiquidity and risk.

   ii. The Diversifiers allocation (e.g. absolute return hedge funds, liquid alternatives, emerging markets debt and private diversifiers) is intended to provide equity-like returns with low equity correlation and lower levels of risk than Growth Assets. The investments are intended to help moderate the volatility of the Fund in order to provide additional year-to-year stability in Fund values.
iii. The purpose of the Real Assets allocation (e.g. public and private investments in hard assets such as real estate, oil and gas, natural resources equities, and commodities) is to provide potential portfolio protection against the risk of unanticipated severe inflation, thus preserving the real value of the portfolio over the long term.

iv. The Fixed Income allocation (e.g. domestic and foreign bonds and cash) is intended to: (1) provide some asset appreciation in periods of declining interest rates (especially in periods of significant equity price deflation) and (2) provide ready liquidity.

c. Tactical asset allocation decisions will be made from time to time by the Fund Manager within the parameters of this Investment Policy Statement. In addition, the Fund Manager may invest in opportunistic strategies that are generally shorter-term, tactical investments and can be allocated across the portfolio.

d. Rebalancing decisions will be made by the Fund Manager as part of ongoing monitoring of the Fund’s actual asset allocation relative to the targets and ranges described in 4(a) above. For the purpose of gauging compliance with asset allocation policy ranges, Legacy Assets shall be attributed to the Fund Manager's portfolio. Rebalancing the actual allocation of the Fund to policy targets is useful for maintaining the risk profile adopted by the Committee. Contributions to and withdrawals from the Fund shall be allocated and managed in the discretion of the Fund Manager. In managing contributions to and withdrawals from the Fund, the Fund Manager will seek to adhere to the asset allocation policy and guidelines. In the event of cash contributions exceeding 10 percent of the Fund’s total asset size, the Fund Manager will have six months to bring the Fund into compliance with asset allocation policy and guideline. In the event that the Fund otherwise falls outside of the ranges described in 4(a) above, the Fund Manager will communicate this breach to the Investment Committee and have a reasonable period of time to bring the Fund back into compliance with the applicable guidelines.

5. Benchmarking

a. The results of the Fund will be compared with the following benchmarks, to be evaluated over varying time horizons:

   i. Policy Benchmark – rolling three-year periods
   
   ii. Simple Benchmark (Risk Equivalent) – rolling five- to ten-year periods (full equity market cycle)
   
   iii. Long-Term Financial Objective – rolling ten-year periods

b. Benchmark definitions:

   i. The Policy Benchmark represents a passive investment in the Long-Term Policy Target allocation described previously. The table below defines the asset class indices which are weighted by the Long-Term Target allocations at the beginning of each month. The Total Assets Policy Benchmark shall be computed as an asset-weighted blend of the respective Fund Manager Benchmarks listed below:
<table>
<thead>
<tr>
<th>Allocation</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>MSCI All Country World Index (net)</td>
</tr>
<tr>
<td>Diversifiers</td>
<td>0.3 beta-adjusted MSCI ACWI (net)</td>
</tr>
<tr>
<td>Real Assets</td>
<td>Public Real Assets: One-third mix of: S&amp;P Global Natural Resources Index/FTSE EPRA-NAREIT Developed RE Index/MS CI World Core Infrastructure Index Private Real Estate FTSE EPRA-NAREIT Developed RE Index Private Natural Resources: S&amp;P Global Natural Resources Index</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>Bloomberg Aggregate</td>
</tr>
<tr>
<td>Cash</td>
<td>90-day T-Bills</td>
</tr>
</tbody>
</table>

ii. The Simple (Risk Equivalent) Benchmark shall be a weighted blend of 70% MSCI All Country World Index/30% Bloomberg Barclays Aggregate Bond Index

iii. The Long-Term Objective is a static benchmark reflecting the System’s long-term performance objective of total portfolio returns exceeding the sum of its distribution policy and inflation, as defined in Section 1 (“Objectives”) above. Given that this static benchmark is not directly related to market performance, success or failure in achieving this goal should be evaluated in the context of the prevailing market environment over rolling ten-year periods.

6. Monitoring of Objectives and Results
   a. The Fund will be monitored for consistency in each manager’s investment philosophy, return relative to objectives, and investment risk. The Fund Manager will provide reports to the System as are necessary including statements detailing all activity in the accounts and quarterly performance reports. Not less than semiannually, the Fund Manager will provide to the System and the Committee Chair a written summary of overall portfolio performance and review of asset allocation in relation to the investment objectives.
   b. All objectives and policies are in effect until modified by the Committee, who will review these at least annually.
   c. If at any time the Fund Manager believes that any policy guideline inhibits investment performance, it is the Fund Manager’s responsibility to clearly communicate this view to the Committee.
d. Effective December 1, 2016, the Fund Manager was granted full discretion to manage the Fund. Subsequent to the approval of these Guidelines of Investment Policies and Objectives, there was an implementation window of approximately four months to allow for the portfolio to transition from the pre-existing legacy investments into the Fund Manager-managed portfolio. For purposes of assessing Fund Manager performance, the System agrees that the official Fund Manager track record will begin April 1, 2017, after which the Fund Manager was responsible for the Fund's performance relative to the previously stated return and risk objectives.

7. Investment Restrictions
   a. Liquidity.
      i. The Fund Manager will opportunistically commit capital to illiquid private investment ("PI") strategies with the long-term target exposures in the table below, which will be built gradually over time given the nature of private investments. Private Investment structures may include fund interests acquired on a primary or secondary basis.

<table>
<thead>
<tr>
<th>Long Term Targets:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Growth</td>
</tr>
<tr>
<td>Private Diversifiers</td>
</tr>
<tr>
<td>Private Real Assets</td>
</tr>
<tr>
<td>Total Private Investments</td>
</tr>
</tbody>
</table>

   ii. The Fund Manager shall refrain from making new Private Investment commitments (1) while the Total Private Investment net asset value is greater than 1.3-times its long-term target or (2) while the Total Private Investment net asset value plus unfunded commitments is greater than 1.8-times its long-term target, both as detailed in the table above. For the purpose of gauging compliance with each of these liquidity constraints, Legacy Assets shall be attributed to the Fund Manager's portfolio.

   iii. The illiquidity constraint defined above is meant to reflect the Committee's maximum tolerance for illiquidity but does not imply the intent to reach this limit. The guideline is meant to acknowledge the reality that private investment exposure could increase meaningfully beyond the target exposures in the event of severe market stress.

   iv. Given the illiquid, long-term nature of Private Investment funds, the Fund Manager shall preview any planned Private Investment commitments with the System pursuant to a "negative consent" protocol, as follows:
      1. The Fund Manager shall send details of and rationale for the planned commitment to the NSHE Finance Department by email;
      2. The Finance Department shall have one week to raise questions, request a conference call to discuss the planned commitment, or instruct that a decision shall be deferred until the next regularly scheduled Committee meeting;
3. Absent any questions or concerns raised by the Finance Department within one week of the proposal, the Fund Manager is authorized to move forward with the commitment.

b. Concentration
   i. Fund Concentration
      1. No single actively managed investment will be larger than 10% of assets.
      2. No single passively managed investment will be larger than 20% of assets.
   ii. Firm Concentration
      1. Exposure to one external investment management firm will be limited to 15% of assets.
      2. In circumstances where an external firm manages assets for the Fund on a solely passive basis, exposure to that firm will be limited to 25% of assets.
   iii. It is recognized that significant changes in investment market values could cause the portfolio to be positioned outside of these liquidity and concentration parameters. If this occurs, the Fund Manager will communicate this breach to the Investment Committee and will take action to reposition the portfolio consistent with these parameters as soon as reasonably practicable.
   iv. For the purpose of gauging compliance with these concentration limits, Legacy Assets shall be attributed to each Fund Manager’s portfolio.

c. Derivatives
   i. It is understood that certain investment managers in the Fund, chiefly those generally categorized as “Marketable Alternatives,” may use derivatives and leverage as part of their investment strategies. Managers using derivatives and/or leverage should have in place systems to analyze and monitor liquidity and counter party credit risk in order to minimize the risks associated with the use of derivatives.
   ii. The Fund Manager may use derivatives in the Fund to hedge investment risks or to replicate investment positions in a more efficient manner or at a lower cost than would otherwise be possible in the cash markets. Selling of uncovered options is prohibited.

d. UBTI Sensitivity
   i. The System understands that its share of any income from the Fund (and possibly the gain on the sale of all or a portion of its interest in the Fund) may constitute unrelated business taxable income (“UBTI”), as defined in the U.S. Internal Revenue Code. UBTI generally is subject to taxation at rates applicable to taxable investors.
   ii. The Fund Manager will use reasonable efforts to limit the amount of UBTI derived from investments of the Fund. However, the Fund Manager will not be prohibited from causing the Fund to make investments that generate UBTI, and the Fund likely will make such investments if the Fund Manager believes that the overall potential after-tax returns from such investments justify any potential UBTI costs attributable to such investments. The System understands and agrees that the realization of UBTI may result in additional administrative costs, including tax and accounting advice required for making the required state and federal tax filings. The System understands that since the characterization of income of the Fund derived from underlying funds as UBTI depends in part on

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the nature of the underlying investments made by underlying funds, the Fund will be limited in its ability to avoid UBTI.

8. Roles and Responsibilities
   a. The Board of Regents has delegated overall oversight of the Fund to the Committee. In addition, the Board has delegated certain responsibilities for the day-to-day management of the investment program to the Fund Manager and to the Finance Department.
   b. Effective and cohesive relationships between the Board of Regents, the Committee, the Finance Department and the Fund Manager are important to fulfilling the purposes of this Policy and the Fund. The major duties and responsibilities of the parties as determined by the Board are summarized as follows:

Fund Manager
   • Develop and recommend policies, guidelines and benchmarks to Investment Committee for approval.
   • Review at least annually these Guidelines of Investment Policies and Objectives to ensure its appropriateness in the context of macroeconomic and market environments and the System’s and the Fund’s financial situation.
   • Implement the policy asset allocation within specified ranges approved by the Investment Committee.
   • Select and terminate investment managers in accordance with these Guidelines.
   • Determine the amount of assets delegated to each investment manager.
   • Monitor and report to the Committee Chair and System Staff the performance of each manager, each asset class, and the total portfolio on at least a semiannual basis.
   • Communicate to the Investment Committee and System Staff any significant portfolio issues that might arise.
   • Administer the Fund’s day-to-day investment activities including the movement of funds within the Fund as well as inflows and outflows.
   • Prepare all manager documentation for execution. Track and monitor the flow of such paperwork.
   • Provide documentation to support the System’s audit preparation.

NSHE Investment Committee
   • Provide initial input and approve investment policies, guidelines asset allocation targets/ranges and benchmarks.
   • Adopt and review at least annually these Guidelines of Investment Policies and Objectives, which establishes eligible investments, asset classes, and policy allocation guidelines.
   • Monitor effects of the distribution policy on the Fund and make modifications, as necessary.
   • Evaluate and approve of deviations from these Guidelines of Investment Policies and Objectives deemed necessary to support the System’s financial objectives.

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• Evaluate the performance of the Fund Manager on a periodic basis.

NSHE Finance Department
• Manage the System’s relationship with the Fund Manager;
• Manage relationships with financial, legal, tax and audit service providers;
• Authorize/sign off on cash withdrawals out of Fund;
• Work with Fund Manager and Investment Committee on investment program as needed;
• Review monthly custodian statements; and
• Maintain paperwork and manager materials to augment C|A’s Audit Support Package for audit preparation.

Section 6. Statement of Investment Objectives and Policies for the Operating Funds

A. Introduction

1. This statement of investment objectives and policies (the "Guidelines") governs the investment management of the Operating Funds (collectively the "Fund") of the NSHE (the "System"). These Guidelines relate to the Fund as a whole. Because the Fund is perpetual, the investment objectives and policies are based on an investment horizon greater than ten years.

2. The Regents are responsible for establishing the investment policies for the Fund. Accordingly, the Regents have promulgated these Guidelines pursuant to which they have established the permitted investment parameters and distribution policy. The Regents will review and revise these Guidelines from time to time as appropriate.

3. The Regents have delegated to the Investment Committee (the "Committee") the management of the Fund within the parameters of these Guidelines. The Committee will be comprised of four Regents appointed by the Chair of the Board of Regents. The Chancellor, the Chief Financial Officer, or designee will serve as ex officio nonvoting members of the Committee. The Chair of the Board of Regents will appoint a Chair of the Committee and may appoint one or more individuals with investment knowledge or expertise to serve as nonvoting members of the Committee. The Committee will meet at the discretion of the Committee Chair, but not less than two times during each calendar year during the first and third quarters. Minutes of each meeting of the Committee will be provided to the Regents for acceptance at their next meeting.

4. The Committee will choose an independent investment advisor to provide services it deems to be necessary or helpful, including without limitation, advice with respect to manager selection, termination, and evaluation.

5. No member of the Board of Regents and no voting or nonvoting member of the Committee will accept or approve the acceptance by staff or any other person of any gift, travel expense, or other perquisite proffered by an investment manager, the value of which exceeds $25, without the advance approval of the Committee. Regents and employees of the System are also subject to the Code of Ethical Standards of the State of Nevada promulgated to govern the conduct of public officers and employees, and Regents are also subject to certain additional conflict of interest provisions.
B. Financial and Investment Objectives of Discrete Pools; Investment Policy

1. The long-term objective of the Fund is to provide a relatively stable stream of revenue that equals or exceeds the general rate of inflation. The measurement of risk that will be used to determine if the long-term objective of the Fund is met with an acceptable level of risk is that the overall return of the Fund, net of fees, should equal or exceed the CPI over rolling periods of ten years.

2. The long-term objectives of the Fund should align with the following overall Nevada System of Higher Education goals.
   a. Increase participation in post-secondary education.
   b. Increase student success.
   c. Close the achievement gap among underserved student populations.
   d. Collaboratively address the challenges of the workforce and industry education needs of Nevada.
   e. Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile.

3. Consistent with the exercise of fiscal prudence and to more fully reflect the highly diverse population of Nevada and the System's institutional values of inclusion, diversity, equity and access, the System seeks to achieve robust diversity within its investment program and through enhanced inclusive investment practices by its Fund Manager. Accordingly, the Fund Manager will make best efforts to hire diverse investment managers that are women, disadvantaged and minority owned.

4. For purposes of investment policy, the Fund will be considered as three discrete pools of funds: a "Short-Term Pool," an "Intermediate-Term Pool," and a "Long-Term Pool."

5. The Short-Term Pool shall be funded in an amount sufficient to meet the expected daily cash requirements of the System, as determined by the NSHE Chief Financial Officer. All cash receipts will be deposited into, and all disbursements will be paid from, this Pool. The Short-Term Pool will be invested in fixed income securities generally having an average maturity of one year or less and thus are highly liquid with little risk of principal loss.

6. The Intermediate-Term Pool is intended to provide a liquid source of funds in the unlikely event the Short-Term Pool is insufficient to meet the System's cash needs and to serve as a reserve for known or contingent obligations with a payout horizon of one to several years, as determined by the NSHE Chief Financial Officer. Since the Short-Term Pool is funded at an amount sufficient to meet expected cash requirements, the Intermediate-Term Pool will be invested in fixed income securities generally having an average maturity of three years or less in order to take advantage of the higher yields typically paid for longer maturities while still maintaining low risk of principal loss.

7. The Long-Term Pool includes all available funds not needed to fund the Short-Term or Intermediate-Term Pool. Because the allocation strategy results in a very low likelihood that this pool will be needed to fund cash requirements, the Long-Term Pool will be invested in securities that lower the volatility and/or enhance the investment performance of the portfolio taken as a whole, decrease market risk and to diversify. These investments may include fixed income, Treasury Inflation Protection Securities (TIPS), US and international common stocks, and absolute return strategies. The Committee recognizes that certain non-US securities are not within the jurisdiction of the US courts and may result in the loss of investment monies with no avenue for redress. Strategic asset allocation targets and benchmarks within the Long-Term Pool.
shall be developed and recommended by the investment advisor with input from and approval by the Investment Committee.

8. The Committee will determine at least annually, with input from the NSHE Chief Financial Officer, the appropriate size of each pool within the parameters of these Guidelines.

9. The weighted-average credit quality rating of the Fund’s investments will generally be at least AA or the equivalent and will never be below A as rated by one or more national credit rating agencies such as Standard & Poor's Rating Services or Moody's Investors Service.

C. Manager Selection, Termination, and Guidelines

1. The Committee shall select external investment managers to manage the assets of the Fund. Subject to these Guidelines, the Committee will have discretion to hire and terminate managers for any reason at any time and to allocate funds among managers. The funds may be managed in a commingled fund or in a separately managed account at the discretion of the Committee. Subject to the manager-specific guidelines referenced in Subsection C(4) and the usual standards of fiduciary prudence and responsibility, the managers will then have complete discretion over the investment of the funds in their respective accounts, including the discretion to vote proxies, the use of soft dollars and how to execute trades. Fees will be set at the time of hiring managers. The Committee may invest in indexed funds if deemed appropriate.

2. Subject to the manager-specific guidelines and the usual standards of fiduciary prudence and responsibility, the managers will then have complete discretion over the investment of the funds in their respective accounts, including the discretion to vote proxies.

3. In hiring and evaluating managers, the Committee will consider the diversification, credit quality, and duration of the portfolio and other appropriate factors.

4. System Staff will provide each manager of a separately managed account with a set of mutually agreed-upon guidelines. Such guidelines will provide that, if at any time the manager believes any policy guideline contained therein adversely affects, or has the potential to adversely affect, its investment performance or would prevent the manager from handling the System's portfolio in a manner similar to the firm's other discretionary accounts with a similar investment objective, it is the responsibility of the manager to communicate this view to the System's staff in a timely fashion. Additionally, such guidelines will require the managers to inform the System's staff promptly of any change in firm ownership or fundamental investment philosophy, any significant change in organizational structure or professional personnel, and any change in portfolio manager(s) for the System's account. The Committee acknowledges that managers of commingled funds are unable to respond to specific guidelines. System staff will maintain and review periodically descriptions of the investment policies and practices of managers of commingled funds to ensure understanding of such policies and practices and consistency with the spirit of these Guidelines. The matters reviewed will include without limitation the managers' policies and practices with respect to risk control generally and derivatives, non-dollar denominated securities, and securities lending.

5. The Committee has discretion to terminate any manager at any time if it determines, for whatever reason, that the manager is no longer appropriate for the Fund. Any decision to terminate a manager will normally be based on long-term, i.e., over a full market cycle, investment performance as well as other relevant factors. If a manager experiences an organizational change (including but not limited to loss of a key person,
legal/regulatory action, etc.) that prompts the investment advisor to recommend terminating the manager before the next Committee meeting, the Committee delegates authority to the NSHE Chief Financial Officer with approval from the Chair of the Board to approve such termination, with written notice to the Committee.

D. Monitoring of Objectives and Results

1. The Committee will review these investment objectives and policies at least once every two years for their continued appropriateness.

2. The Committee will review the strategic allocations at least annually. At this time a modeling of investment returns will be performed to determine what expected returns the current strategy should produce.

3. At least annually, the Committee will determine if any rebalancing of actual allocations should be made. Between Committee meetings, the Committee delegates authority to the NSHE Chief Financial Officer with approval from the Chair of the Board to approve rebalancing recommendations made by the investment advisor for transactions between existing managers in the Fund, provided that the resulting asset allocation exposures fall within previously established policy ranges. No advance written notice to the Committee shall be required for such rebalancing transactions, but such rebalancing transactions shall be reported to the Committee at the subsequent Committee meeting.

4. The System’s staff will obtain monthly investment performance reports from each manager. The Committee shall have prepared and shall review, at least two times per year, an investment performance report setting forth the asset allocation of the total Fund and the investment returns for individual manager accounts and for the Fund. The returns shall be calculated on a time-weighted basis net of manager fees for the most recent quarter for which data are available and any other short-term periods that the Committee may select, including fiscal-year returns when such data are available. The Committee shall select an appropriate benchmark for each manager. The Committee will use the short-term performance data to monitor the fund and the managers for consistency of investment philosophy, returns relative to objectives and investment risk. Risk will be evaluated as a function of asset concentration, exposure to extreme economic conditions and performance volatility. At least one performance report each year shall include data for such longer periods of times as are specified herein. Regular communication by the investment advisor with the managers concerning investment strategy and outlook is expected.

5. The Committee will periodically review the related services provided to the System, including securities custody, performance evaluation, and investment advisory services. Fees for these services will be explicitly stated in the contract.

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

1. Investment managers may utilize derivative securities only in a manner consistent with the policies described below.

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

3. No agreement to engage in a securities lending or directed brokerage program will be entered into without the prior approval of the Committee.

4. The policy with respect to non-dollar denominated securities will be specified in the applicable manager specific guidelines or, in the case of commingled funds, will be reviewed periodically by System staff as provided in Section 6 (c) 4.

5. The Committee expects that its investment managers will have in place processes and procedures to control and measure risk.

F. Distribution Policy

1. It is the policy of the Board of Regents to pool all NSHE cash assets for investment in accordance with guidelines stated in Section 6 of this Chapter.

2. Except as provided herein, effective July 1, 1996, the NSHE Banking and Investment Office will, on a monthly basis, make a distribution to all NSHE institutions an amount equal to a set percentage of the institutions' average daily cash balance.
   a. The allocation by the Board of Regents to the institutions is established with the understanding that each institution will assume responsibility for the cash basis payment of all expenses not provided for by the state appropriated budgets including, but not limited to, employment perquisites, interview and recruiting expenses and litigation expenses.

3. Distributions from the Fund will be made monthly at an appropriate rate as determined by the Committee. If the reserve balance in the operating pool is negative on the last day of the month, the NSHE Banking and Investment Office will not make a distribution for that month. If the reserve balance in the operating pool falls below 3% of the total operating pool on the last day of the month for three consecutive months, the NSHE Banking and Investment Office will withhold distributions until the reserve balance returns to a 3% balance. If the reserve balance in the operating pool is greater than 8% of the total operating pool on the last day of the month for three consecutive months, the NSHE Banking and Investment Office will distribute the amount of the reserve balance above 8% after making the monthly distribution. In order to minimize the potential for a shortfall relative to expectations, the Committee will establish a spending rate on a biennial basis to allow the institutions to develop their biennial budgets with greater certainty. Each semiannual period, the Committee Chair will review the rate relative to the investment outlook and current surplus or deficit to consider its continued appropriateness.

4. The distribution policy is administered by the Banking and Investment Office in accordance with the Uniform Management of Institutional Funds Act, adopted by the Regents on August 30, 1984 in accordance with the authority granted to them by Nevada Revised Statutes (NRS) 396.380 and NRS 396.420 to control and invest the System's funds.

5. A market fluctuation account may be established within the Fund. The account may be utilized to finance monthly distributions to NSHE institutions when the operating pool is unable to generate sufficient investment income on a temporary basis due to market downturns or other equivalent events. Funds may be deposited into the account through a transfer from the reserve balance in the operating pool or through a portion of the monthly distribution allocated to the institutions from the operating pool. The account shall not exceed an amount equal to 10 percent of the balance of the operating pool. All funds deposited into or transferred out of the account require the
approval of the Board of Regents upon recommendation of the Chancellor and the Investment Committee.  

(B/R 6/22)

Section 7. Board and System Administration Accounts

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

2. The System Administration account will provide for necessary operating resources to support, at the System level and under the direct supervision of the Chancellor, such administrative functions as academic and student affairs, planning, finance, legal affairs, and external relations. Each year the Chancellor shall submit a proposed System Administration budget for Board approval.

3. A contingency reserve will be maintained, at 30 percent of the prior year's annual income, to offset unanticipated shortfalls in revenue and/or unbudgeted expenditures. Funding for the reserve will be designated at a prescribed level to ensure adequacy of support in cases of emergency.

4. Each year the Chancellor shall assess each NSHE institution its proportionate share of the funding required to support the Board Administration Account, the System Administration Account, and the contingency reserve. Such assessment shall be based on the Board-approved budget for each of these accounts. The proportionate shares shall be determined by the ratio of each respective institution's self-supporting budget revenues plus its investment income from the operating investment pool, excluding gifts and transfers, to the total of such revenue from all institutions for the most recently completed fiscal year. Each institution shall transfer its annual assessment in quarterly installments on the last working day of each quarter.

(B/R 6/03)

Section 8. Personal Checks

1. Personal checks will be accepted from students in payment of fees or other bills due to NSHE institutions.

2. The institutions shall not furnish counter checks and checks altered in any way shall not be accepted.

3. The prevailing bank rate will be assessed for any check returned unpaid by the bank.

4. The registration late fee charge will be assessed where the personal check covering registration is subsequently returned unpaid by the bank.

5. Any returned check shall be made good within ten days after notification to the student or suspension or dis-enrollment procedures may be instituted.

(B/R 11/90)
Section 9. Approval, Acknowledgment, and Administration of Gifts, Contracts, and Sponsored Programs

I. Introduction

In order to establish a basis for approval of any proposed gift, contract, or sponsored program, the institution, System Administration, and special units of the Chancellor's Office will provide assurances to the Board of Regents that:

A. The designation of the purpose of the gift, contract, or sponsored program is in accordance with mission statements, the Board of Regents' policies and procedures including the Academic Master Plan and capital construction priorities, the laws of the State of Nevada and the Internal Revenue Code;

B. The proposal for acceptance of any gift, contract or sponsored program must include a reporting of total direct and indirect costs as compared to anticipated revenue;

C. The gift, contract or sponsored program is free from injurious racial or gender biases or any other illegal restrictions imposed by the parties;

D. Acceptance of the gift, contract or sponsored program does not obligate the institution, System Administration or a special unit of the Chancellor’s Office to matching commitments or other costs exceeding the amount of the gift, contract or sponsored program unless funds are identified and encumbered to cover such costs;

E. Funds designated by the gift, contract or sponsored program for employee compensation, which includes cash or in-kind perquisites, comply with Board of Regents' Handbook Title 4, Chapter 3;

F. Gifts, contracts or sponsored programs involving related parties or parties that appear to have conflicting roles in the transaction have been publicly noticed and approved by the Board of Regents;

G. The basic elements in a donor or contractor's proposal that will be, or have been used to categorize it as a gift, contract or sponsored program are defined;

H. Gifts intended to fully or partially fund a faculty or administrative position that are made on the condition that a particular person be offered a position within NSHE without going through the regular selection process will not be accepted;

I. During the course of the selection process to fill a faculty or administrative position supported by a donor gift, no undue or inappropriate influence by or on behalf of the donor may be exerted; and

J. While a donor may, if legally permissible, restrict the use of a gift, restricted gifts will not be accepted from a donor if a condition of the gift precludes NSHE or an institution from pursuing other work or scholarly activity.

II. Gifts

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

A. That all gifts to the endowment, loan, plant and current fund groups have been reported for information purposes or submitted to the Board of Regents for acceptance in accordance with guidelines established by the Chancellor’s Office which provide that;

1. Current loan and endowment fund group gifts which are additions to previously approved or existing programs will not require Board of Regents’ approval before acceptance but will be summarized, along with all other gifts, and reported to the Board of Regents annually;

2. Approved or existing programs will be defined by the Chancellor’s Office;

3. Charitable remainder trusts, under which the institution is named as remainder man, must be approved by the Board of Regents before the remainder interest is transferred (acceptance) whether or not the trusts are guaranteed and/or managed by the Board of Regents. The gift is included in information reports to the Board of Regents in the year the remainder interest is received by the institution;

4. All endowment funds will be administered in accordance with the Board of Regents' policy Title 4, Chapter 10.

5. Endowment funds held in trust by foundations or others require Board of Regents' approval and are to be recorded on the general ledger of the institution or the System. The Chancellor’s Office will monitor the investment performance and management of these funds. The amount of the gift for information reports to the Board of Regents is the endowment income recorded in the institution's annual financial statements;

6. Endowment funds will not be accepted if they include requirements in perpetuity for delivery of goods or services to the donor or the donor's designee;

7. Plant fund gifts must be recommended by the institution and accepted by the Board of Regents. The amount of the gift is included in the annual information report to the Board of Regents during the reporting period that the plant fund gift is recorded for annual financial statement purposes;

8. Contributions, which are gifts only in part, must be accepted by the Board of Regents and also included in tests for acceptance of contracts and sponsored programs;

9. If the administration or application of any gift does not comply with institutional policies or meet the criteria established in Section 9 (I). (above) the non-compliance will be reported to the Board of Regents for a determination as to whether or not the program should be terminated;

10. Gifts to an institution, gifts to the Board of Regents on behalf of an institution, or gifts that can otherwise be determined to be for the benefit of a particular institution, will be transmitted to the institution for management as part of the institution's foundation endowment accounts, unless such transmittal is contrary to the express wishes of the donor. If the institution's foundation does not maintain endowment accounts, the NSHE shall manage the funds on behalf of the institution as part of the NSHE endowment pool.

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

11. Gifts to System Administration or special units of the Chancellor’s Office will be managed on behalf of System Administration or the special unit as part of the NSHE endowment pool.

B. That the institution, System Administration, or special unit of the Chancellor’s Office has complied with all applicable federal income tax regulations and restrictions by donors;

C. That expenditures for entertaining, hosting, travel expenses, or employee perquisites comply with Board of Regents' policies and procedures and will not be authorized by the institution's administration, System Administration, or special unit of the Chancellor’s Office unless the donor has been notified in writing that unrestricted gifts and the investment income from such gifts may be used for these purposes;

D. That the institution System Administration, or special unit of the Chancellor’s Office has obtained an independent appraised evaluation of the property received when value is stated for insurance purposes, when the property is sold or recommended for sale by the institution, when the property is recorded officially on the institution's books and records, or when the appraised value is a basis for compliance with tax law. Board of Regents' approval is specifically required for acceptance of all gifts of property except personal property with an estimated fair market value of less than $5,000.00;

E. That costs for insurance, real property clean up or storage have been considered in calculating the obligations to the institution, System Administration, or special unit of the Chancellor’s Office in recommending to the Board of Regents the acceptance of gifts of property;

F. That a donor's restriction on the sale or use of property is reported along with reasons why the restriction is not unreasonable and should be accepted by the Board of Regents;

G. That procedures for receipt and acknowledgment of non-cash gifts shall be the same as for cash gifts except that specific value cannot be placed on non-cash or in-kind gifts;

H. That procedures have been established to provide for timely acknowledgments to donors by the President or Chancellor specifically on behalf of the institution, System Administration, or special unit of the Chancellor's Office and the Board of Regents, including a written gift receipt issued in accordance with applicable federal income tax regulations. Gifts to foundations or other legally separate organizations for the benefit of the institution are to be acknowledged by the foundation or other organization rather than the President of the institution or the Board of Regents; and

I. That the President or Chancellor, when required by this policy, recommend the gift for acceptance by the Board of Regents as soon as possible after it has been offered or the offer announced; however, public announcement of gifts received shall not be made until the gift is accepted by the Board of Regents.
III. Contracts and Sponsored Programs

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

A. The Board of Regents accepts the terms and conditions attached to federal government sponsored programs sought by the institutions. If there is any exception to this policy, the institution will be specifically notified that it should not enter into such programs.

B. Contracts and sponsored program proposals and agreements shall be executed in accordance with criteria and directions described by the Chancellor's Office in published procedures.

C. The institution, System Administration, and special units of the Chancellor’s Office will have an established policy for the application of indirect overhead to private and governmental contracts and sponsored programs; the policy will include requirements for justification of all modifications to the established overhead rate; the institution will be able to demonstrate that overhead charges based on the established criteria are applied uniformly and equitably to all contractors or sponsors without favoritism;

D. The institution, System Administration, and special unit of the Chancellor’s Office will through appropriate rules and regulations adhere to basic academic values in contracts and sponsored programs by ensuring in the contract agreement the openness of research results and faculty freedom to follow any line of inquiry. Sponsors are to be limited to receiving the research results, publicity for their sponsorship and the goodwill resulting from both.

E. Interlocal cooperative agreements (Nevada Revised Statutes 277.080) and interlocal contracts (Nevada Revised Statutes 277.180) shall be executed in accordance with the criteria and directions described by the Chancellor’s Office in published procedures. The Board of Regents accepts the terms and conditions of any interlocal cooperative agreements and interlocal contracts approved pursuant to these provisions, which are in furtherance of federal government sponsored programs sought by the institutions.

F. Notwithstanding any other provision in this Section 9, institution presidents may accept gifts of art made to the institution with an estimated value of $50,000 or less, and may sell or dispose of gifts of art with an estimated value of $50,000 or less provided any such sale or disposition is made in accordance with the provisions of any applicable gift agreement. The acceptance, sale or disposition of any art under this subsection F shall be reported to risk management for insurance purposes.
G. Notwithstanding any other provision in this Section 9, the Chancellor may accept gifts into the System Administration Endowment Fund, given for the benefit of the System or any institution, provided that the gift is a cash contribution of $100,000 or less.

(B/R 9/17)

Section 10. NSHE and Member Institution Foundations’ and Affiliated Groups Administrative and Accounting Policies

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

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

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

The President of each NSHE institution will be responsible for the activities of its “member institution” Foundation and of all other 501(c)(3) organizations affiliated with the institution. Each President will appoint a senior administrator with financial expertise who is independent of the Foundation to attend all meetings of the Board and executive committees of all 501(c)(3) organizations affiliated with the institution.
A. INSTITUTIONAL ADMINISTRATION

1. Compliance with Institutional Goals.
   The President shall have the responsibility to see that the gifts to the institution are in keeping with the goals, objectives and priorities of the institution and of the NSHE.

2. Internal Accounting Control.
   The President of each institution shall be responsible for establishing and maintaining a system of internal accounting controls, which will provide the institution with reasonable assurance that:
   
   a. There is an objectively measurable separation of the Foundation from the institution and that institutional assets are safeguarded against loss from unauthorized use or disposition;
   
   b. Transactions with the Foundation are executed in accordance with Board of Regents' and institutional policies;
   
   c. All transactions with the Foundation are recorded properly to permit the preparation of financial statements in accordance with Generally Accepted Accounting Principles as promulgated by the Governmental Accounting Standards Board.
   
   d. the institution does not use the Foundation for the purpose of circumventing state policies or rules and regulations by engaging in activities or making expenditures which have been denied the institution for other than purely financial reasons and could not withstand public scrutiny;
   
   e. The institution does not lend funds to the Foundation;
   
   f. The institution does not incur deficit cash positions with respect to Foundation grants in excess of 30 days. Reasonable interest charges for such deficits may be negotiated.
   
   g. The Foundation will dispose of capital assets received as gifts as soon as is practical to do so unless the Foundation makes an affirmative decision to retain the asset.
   
   h. The Foundation will not invest in land, engage in joint ventures or invest in equity positions in privately held stocks that are not listed on the New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotations (NASDAQ) or other nationally recognized stock market without full disclosure to the Chief Financial Officer and the approval of the institution President. If such assets outside these categories are received as gifts, they may be retained if the President agrees to their appropriateness as investments. Such transactions must be disclosed to the Board of Regents Audit, Compliance and Title IX Committee at its next regularly scheduled meeting. If the President, on advice of the Chief Financial Officer, does not agree with the appropriateness of an investment or activity of the Foundation, the President must report that activity to the Board of Regents at the next regularly scheduled meeting.
   
   i. Annually, institutions are required to complete a review of all gift accounts, document the results, and document an action plan, and report any results and an action plan to the Audit, Compliance and Title IX Committee annually.
3. **Compliance with *Nevada Revised Statutes* (NRS) 281A.400.**

The institution has the responsibility to comply with NRS 281A.400 that states that a public officer or employee shall not accept any salary, retainer, augmentation, expense allowance or other compensation from any private source for the performance of duties as a public officer or employee.

4. **Compliance with Foundation Gift and Grant Provisions.**

Upon acceptance of funds from the Foundations by the Board of Regents, the institution has the responsibility to manage the funds authorized by the Foundations with the same care and compliance with the gift and grant provisions provided all other funds managed by the institution.

5. **Contributions to the Foundation of Services, Assets, and Forgiveness of Indebtedness.**

Particular attention should be given to the recording and presentation of donated and contributed services which must be recognized both as revenue and as properly classified expenditures when they meet the criteria of the American Institute of Certified Public Accountants (*AICPA*) and the Financial Accounting Standards Board (*FASB*). Contributions are defined to include gifts in numerous forms such as cash, marketable securities, land, buildings, use of facilities, materials and supplies, and services provided by NSHE employees. Unconditional promises to contribute such services or assets, in the future, are also defined as contributions for the purposes of this Section. The Board of Regents’ continued financial support of the Foundations is predicated on compliance with these guidelines.

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

   a. The total fiscal year budget of estimated expenses funded from all sources to support institutional development which includes salaries for staff, reporting directly or indirectly to the Foundation on a full or part-time basis, and

   b. All contributions that are proposed to be made to the Foundation from the institution. The contributions proposed to be made to the Foundation represent development expenses and activities, which the institution would otherwise manage within the institution. In accordance with the FASB and the AICPA, all contributions made must be stated at fair market value.

6. **Compliance with Board of Regents’ Personnel Policies.**

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

   a. Title 4, Chapter 3 which applies to all professional staff paid for by the Board of Regents regardless of the funding source and whether or not their services have been contributed in total or in part to the Foundation. Estimated amounts of all salaries, consulting fees, or perquisites donated in cash or in-kind by an institution Foundation for institution employees are considered compensation within the meaning of the Board of Regents *Handbook* citation. Perquisites must be submitted in advance in writing to the Board of Regents for approval and include automobiles and related expenditures, automobile allowances, host allowances, housing and related expenditures, memberships, dues, retirement funds, or any other compensation over and above the basic salary. The President will submit to the Board of Regents a schedule of these items,
by employee, including the amount proposed to be donated on behalf of the employee prior to the beginning of the NSHE fiscal year. Loans to institution employees are prohibited. All payments must be made to the employee by and through the institution. Perquisites that are submitted in advance to the Board of Regents for payment to an employee throughout the year may be included as a one time grant to the institution even though payments are made in accordance with Board of Regents’ approval throughout the fiscal year.

b. Title 4, Chapter 10, Section 23, applies to Host Accounts, which must be officially created by the Board of Regents from funds donated by a Foundation. Unrestricted gifts from a Foundation do not automatically include authority to incur hosting, entertainment or travel expenses, nor can an employee of the institution direct the use of Foundation funds for these purposes.

B. FOUNDATION AND AFFILIATED GROUPS ADMINISTRATION

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

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

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

Foundations and affiliated groups with prior year total assets less than $6M may have an audit performed every other year. A review will be performed in the years that an audit is not performed. The vice chancellor for finance will maintain a schedule of reviews to ensure adequate coverage for the financial statements.

Foundations and affiliated groups with prior year total assets greater than $6 M are required to have an annual audit performed. Foundations and affiliated groups receiving federal funds or federal pass-through funds are required to have an annual audit performed.

2. Accrual Basis Accounting. Financial statements will be prepared on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles of the Governmental Accounting Standards Board.
3. **Gift and/or Grant Authorization Expenditures.** The Financial statements should adequately categorize expenditures as either:
   a. "Gift and/or grant authorization" also known as program expenditures that relate directly to the primary missions of the member institution, or
   b. "general administration" that include such costs as general administration, membership development, and fund raising for the Foundation.

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

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

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

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

6. **Public Information and Open Meeting Law.**

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

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

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

The Foundation shall obtain from each donor a signed form stating that the gift is intended for the Foundation and not the institution. If the donor subsequently misdirects the check to the institution rather than to the Foundation, this documentation from the donor will authorize the institution to issue an exchange check with the foundation. If the Foundation does not disclose to the donor by printed or written material that a gift or the income from the gift is to be used for entertaining, hosting, travel, or employee perquisites, it must then obtain specific authorization from the donor to use the gift funds for such purposes.
The Foundation shall administer any restricted gift to the Foundation in accordance with the wishes of the donor and shall notify the donor if the Foundation plans to delay, for any reason, the use of the restricted gift for its intended purpose.

8. Compliance with Board of Regents' Gifts and Grants Policy. The Foundations will be required to comply with Board of Regents' policy requirements, as periodically amended and outlined in the Board of Regents Handbook, including but not limited to the following:

   a. Title 4, Chapter 10, Section 9 Approval, Acknowledgment, and Administration of Gifts, Contracts, and Sponsored Programs. The Foundation will comply with procedures for award of gifts and grants as defined by the Chancellor's Office. The purpose of the Chancellor's Office procedure is to eliminate timing differences in the amount of gifts and grants awarded by the Foundation as compared to and consistent with the reporting of gifts and grants by the Board of Regents and the institution. The internal controls practiced by the Foundation and the integration of its gift and grant process with the institution's administrative controls and formal books and records are to be considered by the Chancellor's Office in the procedural requirements.

9. Compliance with Reporting Procedures. All gifts and grants donated from any institution Foundation to or on behalf of any NSHE institution or its employees must be reported in accordance with procedures established by the Chancellor. The Foundations are precluded from making direct expenditures to or on behalf of any NSHE institution or its employees. All expenditures to or for the benefit of the NSHE institution or its employees must be in the form of a gift or grant of money, sum certain, to the institution.

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

C. CHANCELLOR'S OFFICE ADMINISTRATION

1. Receipts-Cash. Fund accounting principles shall apply to all cash receipts from the Foundation with emphasis on documenting any donor's restrictions on use of the gift and the proper categorization of funds into designated and non-designated fund groups. Cash receipts can be commingled in a single bank account for cash management purposes as long as generally accepted fund accounting principles are complied with.

2. Board of Regents' Acceptance and Reporting Policy.

   a. Current fund gifts, which are additions to previously approved or existing programs, may be accepted by the President with spending authority established on the institution's general ledger without seeking additional acceptance from the Board of Regents. The Board of Regents delegates to the Chancellor's Office the responsibility for establishing the definition of previously approved or existing programs. Annual information reports to the Board of Regents will be prepared by the Chancellor's Office, in cooperation with the institutions, which include the total amount of previously approved or existing program gifts. These annual reports will be prepared according to Generally Accepted Accounting Principles and will place specific emphasis on categorizing gifts by restriction and National Association of College and University Business Officers (NACUBO) defined expenditure category, i.e.,
instruction, scholarships and fellowships, institutional support, research, public service, and academic support.

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

(B/R 9/23)

Section 11. Salary or Annuity Option Agreements

1. Any employee of the NSHE, whether full- or part-time, may authorize the NSHE to reduce his or her monthly compensation for the purpose of purchasing on his or her behalf a non-forfeitable retirement annuity contract requiring premium payments of a like amount. The salary or annuity contract may be approved for any amount up to the maximum allowable under the Internal Revenue Code.

2. The annuity contracts may be purchased by the employee through payroll reduction from companies selected and approved by the NSHE for such purpose. These companies will have met licensing requirements established by the State of Nevada. The NSHE assumes no responsibility for these contracts except to make the payments as designated in an amount equal to the salary reduction.

(B/R 11/98)

Section 12. Use of the Capital Improvement Fee

1. A portion of the registration fee established pursuant to Title 4, Chapter 17, for all credit-bearing courses, shall be allotted for capital projects and improvements will be referred to as the “Capital Improvement Fee.”

2. Funds generated from the Capital Improvement Fee shall be deposited into a Capital Improvement Fee Fund for each institution that is maintained separately. If a project has multiple revenue sources, then the intended uses or the reason why the funds are appropriate shall be documented by the institution and expenditures matched with the funding source.

3. Funds generated by the Capital Improvement Fee may be expended on projects or improvements of up to $100,000 that have been approved by the President and if for the purposes listed in paragraphs (a) to (h). Funds generated by the Capital Improvement Fee may be expended on projects of more than $100,000, but not exceeding $1,200,000, or the actual balance in the fund, whichever is less, for the purposes listed in paragraphs (a) to (h).

   a. For the service of revenue bonds when a revenue bond issue is authorized by the Nevada State Legislature and approved by the Board of Regents. Such revenue bonds may be issued for the purpose of construction and furnishing of facilities.

   b. For the necessary supplementation of capital projects that have been approved by the Nevada State Legislature.

   c. For loans on residence and dining hall bond indebtedness service when funds are not otherwise available to meet the required annual payments.

   d. For remodeling projects and related furniture, fixtures, and equipment as are needed for the accommodation of students in buildings.
e. For programming, planning, design, and feasibility studies pertaining to capital projects, which require consulting services in order to carry out the institution’s basic responsibilities in developing long-range programs and plans.

f. For real property improvements as are necessary.

g. For the purchase of land or buildings adjacent to a campus or branch campus and within the master plan areas as such land or buildings become available and are offered for sale.

h. For other purposes approved by the Board of Regents.

4. If the amount to be expended is $100,000, or less, prior notice to the Board is not required. If the amount to be expended exceeds $100,000 but does not exceed $1,200,000, or the actual balance in the fund, whichever is less, the President shall cause a notice of intent to expend the amount to be sent to members of the Board of Regents at least 30 days prior to making the expenditure. Expending funds generated by the Capital Improvement Fee for projects or expenses in excess of $1,200,000, or if in excess of $100,000 but more than the actual balance in the fund, requires approval by the Board of Regents.

5. Capital projects or improvements not included in Subsection 3 shall follow guidelines in the NSHE Procedures and Guidelines Manual, Chapter 5, Section 3, Preparation and Approval of Contracts.

6. Project accounts should be closed no later than six months after the completion of the project.

7. Reporting. Institutions will report annually to the Board on the use of the Capital Improvement Fee in a reporting template provided by the Vice Chancellor for Budget and Finance.

(B/R 9/23)

Section 13. Use of the General Improvement Fee

1. A portion of the registration fee established pursuant to Title 4, Chapter 17 for all credit-bearing courses shall be allotted for general improvements as defined in this Section and will be referred to as the “General Improvement Fee.”

2. Funds generated from the General Improvement Fee Fund shall be deposited into a General Improvement Fee Fund for each institution that is maintained separately.

3. Funds generated by the General Improvement Fee shall be expended on goods and services that directly enhance the educational experience of the student body, including, but not limited to student advising, counseling, recruiting, orientation, and other general student support services. This includes expending funds on compensation and fringe benefits, operating, equipment, library materials, and other expenses that benefit the general student population. One dollar of the per registration fee dedicated to the General Improvement Fee funds generated at each institution may be used for other purposes as designated by the President.

4. Approval. Expending funds generated by the General Improvement Fee for other purposes than those described in Subsection 3 shall require approval by the Board of Regents. This requirement does not apply to the dollar that may be used for purposes designated by the President unless otherwise provided for in Board policy.

5. Reporting. Institutions will report annually to the Board on the use of the General Improvement Fee in a reporting template provided by the Vice Chancellor for Budget and Finance.

(B/R 9/23)
Section 14. Use of the Activities and Programs Fee

1. A portion of the registration fee established pursuant to Title 4, Chapter 17, for all credit-bearing courses, shall be allotted for graduate and undergraduate student activities and programs and will be referred to as the “Activities and Programs Fee.”

2. Funds generated from the Activities and Programs Fee shall be deposited into an Activities and Programs Fee Fund for each institution that is maintained separately. The institution may account for such fees in multiple accounts if necessary.

3. Funds generated by the Activities and Programs Fee shall be expended on specific student activities and programs that enhance the student experience, including compensation and fringe, operating, and equipment.

4. Approval. The use of these fees requires approval by the institutional business officer. Expending funds generated by the Activities and Programs Fee for purposes other than those described in Subsection 3 shall require approval by the Board of Regents.

5. Reporting. Institutions will report annually to the Board on the use of the Activities and Programs Fee in a reporting template provided by the Vice Chancellor for Budget and Finance.

(B/R 9/23)

Section 15. Use of the Student Association Fee

1. A portion of the registration fee established pursuant to Title 4, Chapter 17, for all credit-bearing courses shall be allotted for student government and will be referred to as the “Student Association Fee,” unless a Board-approved student association fee has been established outside of the registration fee distribution.

2. Funds generated from the Student Association Fee shall be deposited into a Student Association Fee Fund with the fees from each institution maintained separately.

3. Funds generated from the Student Association Fee shall be expended for the support of institutional student government associations, including compensation and fringe, operating, scholarships, and equipment expenses. Any unexpended funds at year end may be carried forward for one year.

4. Approval. Expending funds generated by the Student Association Fee for other purposes than those described in Subsection 3 shall require approval by the Board of Regents.

5. The provisions of this section concerning the authorized use and administration of funds generated from the Student Association fee are also applicable to any Board approved student association fee charged in addition to registration fees.

6. Reporting. Institutions will report annually to the Board on the use of the Student Association Fee in a reporting template provided by the Vice Chancellor for Budget and Finance.

(B/R 9/23)
Section 16.  Use of the Technology Fee – Regular

1. Funds generated by the Technology Fee – Regular must be used directly for the betterment of the students’ educational experience. Funds may be used for any technology-related expenditure, including, but not limited to equipment, associated software and licensing, Internet and Web-related support, user services/help desk support, lab support, lab coordinators and assistants, electronic library media, enhanced instructional technology for classrooms and labs, and distance education/interactive video equipment and facilitators.

2. Approval. The use of these fees requires approval of the institutional business officer.

3. Reporting. Institutions will report annually to the Board on the use of the Technology Fee in a reporting template provided by the Vice Chancellor for Budget and Finance.

(B/R 9/23)

Section 17.  Use of the Technology Fee – iNtegrate

1. Funds generated by the Technology Fee – iNtegrate must be used directly to support the development of a system-wide information system. Funds may be used for the implementation of the iNtegrate Project, including but not limited to support for functional and technical staff, technology costs, and costs for communication devices. Each institution shall report annually the funds generated and expenditures associated with the fee to the Board of Regents. Upon completion of the iNtegrate Project, the Board of Regents shall review the use of the Technology Fee – iNtegrate.

2. Approval. The use of these fees requires approval of the institutional business officer.

3. Reporting. Institutions will report annually to the Board on the use of the Technology Fee – iNtegrate in a reporting template provided by the Vice Chancellor for Budget and Finance.

(B/R 9/23)

Section 18.  Use of Differential Program Fees

1. Funds generated from a differential program fee shall be deposited into a Differential Program Fee Account that is maintained separately for each program.

2. Funds generated from a differential program fee will not be included in the state supporting operating budget and will be retained by the institution.

3. Funds generated from a differential program fee shall be expended on goods and services directly related to the program with which the fee is associated, including, but not limited to, salaries and wages, operating, equipment, library materials, and centralized services that directly benefit the program. Appropriate levels of state support for the program shall continue.
4. At least 15 percent of the differential program fee at the universities and state college and 10 percent of the differential program fee at the community college must be allocated for need-based financial aid for students enrolled in the program for which there is an approved differential program fee. Institutions may establish policies and procedures consistent with this Subsection to allow graduate assistants in a program with an approved differential fee to register without such a fee and to account for such allowance in reporting the required set aside for need-based financial aid.

5. Approval. Expending funds generated by the differential program fee for purposes other than those described in Subsections 3 and 4 shall require approval by the Board of Regents.

6. Reporting. On or before February 1 of each year, each institution with approved differential fees will submit a detailed written report to the Chancellor’s Office regarding the actual expenditure of differential program fees with an explanation of how the fees have been used for the benefit of the academic program for which the differential fee was established. The Chancellor’s Office shall transmit these reports to the Board annually.

7. As used in this Section, “differential program fee” refers to a differential program fee established in Title 4, Chapter 17.

(B/R 9/23)

Section 19. Fee Account Balances

1. It is the intention of the Board of Regents that any fees collected from students be utilized for the direct benefit of the students from whom they are collected while directly reporting revenue and expenditures. Except as otherwise provided in Subsection 2, all fees, including but not limited to student fees, special course fees, differential program fees, health center fees, technology fees, and registration fees (including student access, capital improvement, general improvement, and activities and programs fees) that remain unexpended or dedicated as of June 30th of the fiscal year in which they are collected may be carried forward for up to one fiscal year.

2. Except as otherwise provided in this subsection, this policy applies to the fees listed in subsection 1 and approved by the Board of Regents under Chapter 7 of the Procedures and Guidelines Manual.

3. Given the nature of capital projects, the capital improvement fees will be reported separately. For purposes of the maximum carryforward, all capital improvement fees collected should be allocated to a project within one fiscal year after the year in which the funds were collected.

4. Exceptions for anticipated capital, residence life operations, and equipment expenditures requiring a multi-year carry-forward may be approved by the president, in consultation with student government. Such exceptions, including a description and the justification for the reserves, must be reported to the Chancellor by September 30th of each year.
5. Funds must be established for all fees, including but not limited to student fees, special course fees, differential program fees, health center fees, technology fees, and registrations fees (including student access, capital improvement, general improvement, and activities and programs fees). Student fee revenue must not be commingled with other funds. If a project or program is funded from multiple revenue sources, then the authorized amount for the project or program from each applicable student fee account must be clearly accounted for. Institutional business officers are responsible for establishing accounting practices to ensure that an annual report of each student fee account accurately reflects revenue and expenditures and any year-end balance in the account. The institution may account for any student fee in multiple accounts, if remaining in the same fund.

(B/R 9/23)

Section 20. Distribution of the Registration Fees

The Registration Fee shall be distributed among the various accounts in conformity with a schedule approved by the Board of Regents. Distribution shall be in accordance with the category in which a student is placed in the student's original registration that semester; i.e., graduate or undergraduate and lower- or upper-division at GBC and CSN.

1. Continuing Education, Community Service, and Off-Campus Programs.
   a. Entire fee to be dedicated to program budget for instruction.
   b. At the universities and state colleges, the per credit fee for credit courses offered by continuing education during the Fall or Spring Term shall be the same as the per credit fee charged for other credit courses offered during the same time period. During the Summer, the fees for continuing education courses shall be the same as the fees charged for Summer Session courses.

2. The refund of fees paid shall be made in conformity with the refund schedule described in Chapter 17 and shall apply to the entire registration fee.

(B/R 9/12)

Section 21. Distribution of Fees and Tuition, Schools of Medicine

The distribution of the Registration Fee per semester for students in the University of Nevada, Reno School of Medicine or the University of Nevada, Las Vegas School of Medicine shall be established by the Board of Regents:

Tuition paid by or on behalf of a student of the University of Nevada, Reno School of Medicine or the University of Nevada, Las Vegas School of Medicine shall be revenue of the budget for the University of Nevada, Reno School of Medicine or the University of Nevada, Las Vegas School of Medicine, respectively.

(B/R 9/18)
Section 22. Distribution of Fees and Tuition, William S. Boyd School of Law

The distribution of the Registration Fee per semester for students in the Williams S. Boyd School of Law shall be established by the Board of Regents:

Tuition paid by or on behalf of a student of the William S. Boyd School of Law shall be revenue of the budget for the William S. Boyd School of Law.
(B/R 12/04)

Section 23. Distribution of Fees and Tuition, School of Dental Medicine

The distribution of the registration fee per semester for students in the University of Nevada, Las Vegas School of Dental Medicine shall be established by the Board of Regents.

Tuition paid by or on behalf of a student of the University of Nevada, Las Vegas School of Dental Medicine shall be revenue of the budget for the University of Nevada, Las Vegas School of Dental Medicine.
(B/R 9/18)

Section 24. Collection of Student Loans

1. When a student has been a recipient of a student loan and repayment of such a loan is overdue, such student shall be notified by the proper officers through the U.S. mail. If there is no response within a period of 10 days, another such notification shall be given. If the recipient has not responded to the second letter by the date specified, the account shall be collected in a manner determined by the proper authority.

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

Section 25. Host Expenditures

1. Purpose.

Host expenditures may be incurred for reasonable expenses for meals, beverages, flowers and small gifts such as mementos by or on behalf of employees or guests of the NSHE or one of its institutions in the conduct of necessary business activities. Hosting must provide a benefit to the System or institution through the establishment of good will, promotion of programs, or creation of opportunities for meetings in which the mission of the System or NSHE institution may be advanced.
All expenditures that are essential and part of a program, such as faculty and student recruitment activities, marketing, employee professional development, participant-funded events, and food supplied for culinary programs are normal operating expenses and not a host expense.

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

3. Authority.

The Board of Regents delegates to the Chancellor, for the System Administration, and to the Presidents, for each institution, the authority to establish host accounts for the following:
   a. Grant, contract or gift accounts where the donor or sponsor specifically provides for host expenditures.
   b. Student government funds.
   c. Unrestricted institutional funds.

Reimbursement for host expenditures of the Chancellor must be approved by the Chair of the Board of Regents. Reimbursement for host expenditures of an institution President must be approved by the Chancellor. Exceptions to this policy are subject to approval by the Chancellor.

4. The NSHE Internal Audit Department will test and sample host accounts annually.

5. Institutions may define further conditions for the use of host accounts.

   (B/R 12/05)

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

1. **Vandalism.** The Chancellor shall establish procedures concerning the reporting and investigation of damage to NSHE institutional buildings, equipment, or other property.

2. **Preliminary Capital Improvement Plans.** The Chancellor shall establish procedures concerning the presentation of preliminary capital improvement plans to the Board of Regents.

3. **Naming of Buildings.** The Chancellor shall establish procedures concerning the naming of campus buildings.
4. **Little Valley.** The area of land located in the Carson Range in Washoe County, Nevada, known as Little Valley shall be retained in perpetuity as a natural wildlife area and shall be used for no other purpose.

5. **Main Station Field Lab Policy Statement**

The Board of Regents of the Nevada System of Higher Education ("Board") for the benefit of the University of Nevada, Reno ("UNR"), owns, in fee simple, certain real property, generally known as Washoe County Assessor Parcel Numbers, 021-010-05, 021-010-08, 021-020-03, 021-020-11, 021-30-04, 021-030-10, and a portion of APN 021-030-14. That real property includes approximately seven hundred sixty two (762) acres, commonly referred to as the Main Station Field Lab ("MSFL").

Since 1956, UNR’s College of Agriculture, Biotechnology and Natural Resources ("CABNR"), has operated the MSFL for grazing cattle and sheep, along with other educational activities of CABNR. CABNR has actively irrigated the MSFL to grow alfalfa, hay and certain other crops for research and educational purposes. One of the structures on the MSFL is “Wolf Pack Meats,” a meat processing plant, operated by CABNR and open commercially to the public.

UNR, through CABNR, will use the MSFL solely for research, teaching and outreach as part of UNR’s land-grant mission. To further this policy, the Board hereby establishes the following parameters on the use of the MSFL:

A. UNR will use the MSFL solely for agriculturally related purpose, or other education or research related activity that does not impact the MSFL objectives, as more fully set forth herein, including, without limitation, teaching, research, and public outreach activities.

B. Except for Wolf Pack Meats, or other similar activities by UNR, UNR shall not use the MSFL for any commercial activities or commercial development, any residential development, or any industrial purposes or development, provided, however, that the Board may extend temporary easements over the MSFL as allowed by applicable Board policies.

C. The Board shall not convey any part of the MSFL to any third party.

D. The Board, UNR, and CABNR shall preserve and protect all water rights associated with the use and operation of MSFL, including, without limitation, those water rights described as follows (the "MSFL Water Rights"): 
### Claim AF, Water

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<td>Claim 607</td>
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<td>Total Drain Water Right</td>
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<table>
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<tr>
<td>Permit 39044, Certificate 10735</td>
<td>58.92</td>
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<tr>
<td>Permit 28652, Certificate 9658</td>
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<tr>
<td>Total Permitted Rights</td>
<td>78.27</td>
</tr>
</tbody>
</table>

| Total Water Rights                | 3,844.43  |

E. The Board shall provide for the allocation of all water required for the intended use and operation of the MSFL, as provided herein.

F. The Board shall not convey any part of the MSFL Water Rights, but it may lease such water rights on a short-term basis so long as the lease of the MSFL Water Rights does not materially interfere with the permitted uses of the MSFL.

G. The Board recognizes and acknowledges that there may be changes in general economic conditions, as well as changes in UNR’s application and use of agricultural technologies, farm and ranch management practices, educational activities, in research activities, and public outreach efforts. The Board further recognizes and acknowledges that any of those changes may cause UNR to utilize/use the MSFL in a manner that may differ to some degree from the prior and present uses of the MSFL. However, no party shall use or utilize the MSFL in any way that causes a violation of the policies set forth herein.

H. Permitted Uses of Property. The Board acknowledges that the MSFL may be used for the following activities, which list is not meant to be exclusive or exhaustive:

1. **Agricultural and Other Activities.** The MSFL may be used for agricultural research, agricultural education and outreach purposes (including, without limitation, 4-H activities sponsored by UNR), public education, community gardens, livestock grazing, crop production of traditional and research crops, and other related agricultural uses.
2. **Agricultural Structures.** Existing structures on the MSFL may be maintained, repaired, remodeled and replaced; new structures may be built/constructed on the MSFL, including, without limitation, barns, loafing sheds, storage/equipment sheds, corrals, wells and associated infrastructure, water lines, sprinklers, security fencing, greenhouses, gardens, netting, water tanks, a classroom, and other similar structures, so long as such new structures, improvements and buildings are directly related to other permitted uses of the MSFL.

3. **Agricultural and Research Practices.** Pesticides, herbicides and agricultural sprays and fertilizers considered appropriate for raising crops (or as such may be in the process of development for possible agricultural purposes or which may be the subject of research) may be used or tested on the MSFL, provided such use and testing is in accordance with applicable laws and regulations and the manufacturers’ specifications and limitations for such use, or as part of a UNR sanctioned research initiative.

4. **Grazing.** The MSFL may be used for the grazing of livestock, so long as grazing is conducted using grazing industry practices that prevent pasture deterioration and over-grazing or using experimental practices that are the subject of research and that do not result in the permanent unsuitability of pasture for grazing, and which protect the MSFL for its intended uses.

5. **Fencing.** New fencing, including exterior boundary fencing, may be placed on and around the MSFL, existing MSFL fencing may be maintained and repaired, so long as such fencing is compatible with the movement of wildlife across the MSFL. Notwithstanding the foregoing, that wildlife fencing may be utilized on the MSFL i) in areas where crops are grown, or feed is stored, ii) in order to prevent loss from wildlife damage, iii) where research plots require wildlife exclusion, and iv) in areas where fencing is required to protect livestock from wildlife.

6. **Education, Research, and Outreach Equipment.** The MSFL may be utilized for the storage, maintenance, repair, remodel and replacement of new and existing research, education and outreach equipment and facilities, including, by way of example only, and not by way of limitation, weather stations, soil moisture probes, irrigation equipment and monitoring devices, surface and groundwater monitoring equipment and other equipment and structures, provided, however, that such equipment and facilities are intended for uses consistent with the polices set forth herein.

7. **Roads, Drainage-ways, Ditches and Diversions.** Roads, drainage-ways, ditches, and diversions on the MSFL may be constructed, maintained, renovated, paved, repaired, improved, or replaced, as such may be required for the other purposes permitted by this policy.

8. **Wolfpack Meats and Feedlot Area.** Wolfpack Meats (and associated structures) may be maintained, repaired, remodeled and replaced, along with the feedlots now associated with Wolfpack Meats, so long as Wolfpack Meats, or any successor thereof, remain opens and accessible to the public. This policy does not prohibit UNR from out-sourcing, pursuant to a contract, the management and operations of Wolfpack Meats to a third party with the capacity and experience to operate Wolfpack Meats in a manner satisfactory to UNR.
9. **Dairy Hill and Farm Housing.** The “Dairy Hill Area,” and associated structures, located on the MSFL may be maintained, repaired, remodeled and replaced, along with associated housing, including associated site improvements such as paved parking and walkways.

10. **Rainout Shelters.** Rainout shelters may be constructed on the MSFL.

11. **Pavilion Area.** A pavilion for education, research, and public engagement events consistent with permitted purposes, may be constructed and maintained on the MSFL.

12. **Agriculture, Biotechnology and Natural Resource Education Facilities.** UNR may construct classroom or class lab facilities, as well as minor agriculture and research, education or outreach structures on the MSFL, so long as such structures do not impair the other permitted activities on the MSFL.

I. **Prohibited Uses.** The MSFL may not be used for any purpose or activity inconsistent with those permitted by this policy. Additionally, the following uses of the MSFL are expressly prohibited or restricted:

   a. **Structures, Buildings or Improvements.** The construction or placement of any structures, buildings or improvements on the MSFL, including, without limitation, mobile homes or other temporary living quarters, except as otherwise provided by this policy.

   b. **Subdivision.** The partition, division or subdivision of the MSFL, whether by physical or legal process, including, without limitation, condominium projects, any time-share project, the partition of undivided interests in the MSFL, not specifically allowed by this policy.

   c. **Commercial and Industrial Activities.** Any industrial activities or development, any commercial activities or development, or any residential development. The MSFL may be used, however, for commercial feedlots and other intensive growth livestock facility, such as swine or poultry facilities, so long as such uses are otherwise consistent with what is allowed by this policy. For purposes of the foregoing sentence, a “commercial feed lot” and “livestock facility” is defined as a permanently constructed confined area or facility within which there is no grazing or crops grown, and which is used and maintained for purposes of engaging in the commercial business of the reception and feeding of livestock.

   d. **Boundary Line Adjustments.** The boundaries of the MSFL shall not be adjusted in any way that would result in any increased density of development on the MSFL.

   e. **Roads.** No new roads shall be constructed on the MSFL, and no existing road shall be maintained, repaired or improved, except as specifically permitted by this policy, or as may be required by a governmental entity with authority or jurisdiction over the MSFL or as approved by the Board.

   f. **Signs and Billboards.** No commercial signs, billboards, awnings, or advertisements shall be displayed or placed on the MSFL, except as may be appropriate and customary for other allowed uses of the MSFL.

   g. **Mining; Limited Use.** There shall be no mining or extraction of oil, natural gas, fuel, or any other mineral substance, of any kind or description, permitted on or under the MSFL. However, the MSFL may be used for mining or extraction of soil, sand, gravel, rock, stone, or decorative stone
provided that such extraction is solely for use on the MSFL, for non-commercial purposes, is in conjunction with activities permitted herein, is accomplished in a manner which is consistent with the purpose of the MSFL, and so long as such activities do not substantially diminish or impair the value or permitted use of the MSFL. Any such permitted soil, sand, gravel, rock, stone, or decorative stone extraction shall be limited to not more than one (1) acre, in the aggregate, at any given time, and the MSFL shall be remediated following such extraction.

h. Topographical Changes. There shall be no alteration of the topography of the MSFL or other natural features of the MSFL other than for construction of the improvements permitted herein, other than for agricultural, education, research or outreach uses permitted herein, including by digging, excavating, cutting, or filling.

i. Trash. Dumping or uncontained accumulation of trash or refuse on the MSFL is prohibited, except for such trash and refuse that may accumulate in the normal operations on the MSFL. Natural debris may be disposed of in burn pits on the MSFL as permitted by law. Composting is not prohibited. Nothing in these restrictions shall prohibit research, educational activities, or outreach activities on the MSFL involving trash, refuse, or compost.

j. Hazardous Materials. No "Hazardous or Toxic Materials" or of non-compostable refuse shall be placed on, in or about the MSFL; provided, however, this prohibition shall not be construed to prohibit the continued agricultural, education, research or outreach use of the MSFL consistent with current practices and/or practices of the time, including but not limited to experimental research purposes. For the purpose of the foregoing sentence, "Hazardous or Toxic Materials" shall include any petroleum products as defined in ASTM Standard E 1527-05 and any hazardous or toxic substance, material or waste that is regulated under any federal, state or local law. This policy shall not be deemed to prohibit the use of chemicals and products in accordance with applicable laws and manufacturer’s instructions or experimental materials and methods for purposes of research and development activities in accordance with federal regulations governing research.

k. Hunting and Trapping. Hunting and trapping are permitted on the MSFL for the sole purpose of management associated with agriculture, education, research and outreach, including general safety of employees and the public, in accordance with applicable laws and regulations. The MSFL shall not be open to the public for fishing, hunting, or other recreational activities.

l. Motorized Vehicles. Motorized vehicles not directly related to the approved operation of the MSFL (specifically including ATVs and motorcycles) may not be used or operated on the MSFL.

m. Tree Removal and Weed Management. Notwithstanding the prohibitions set forth above, as required for the use and operation of the MSFL, trees, shrubs, and weeds may be cut or removed from the MSFL in order to control insects and disease, flooding, or to control noxious or invasive non-native species, or as part of research work, and to prevent personal injury and property damage, including mitigation of fire risks, and may be used for firewood or other uses on the MSFL.

n. Public Access. There shall be no general right of access by the public to any portion of the MSLF, except as specifically allowed by this policy.
6. **NSHE Capital Improvement Budget Process**

   a. Each institution will update its master plan every two years and provide the Chancellor and the Regents with a standardized statistical profile describing the physical dimensions of each campus operated by the institution. This profile will include the area (gross square feet) by type and age of facility. The Presidents will evaluate the results of this analysis to identify institutional capital construction needs.

   b. The Board of Regents will set priorities for the types of space such as classroom, class laboratory, research laboratory, office, and auxiliary space needed by the NSHE.

   c. The Chancellor will apply appropriate NSHE space formulas, including growth in student FTE, to the institutional data to determine the need for space in the Regents' priority areas. Based on the results of these calculations, the Chancellor will propose to the Council of Presidents a capital improvement project list.

   d. The Business Officers Council will review the list and develop a recommended system-wide capital improvement project request for consideration by the Chancellor and the Council of Presidents.

   e. The Council of Presidents will review the Business Officers Council’s recommended list and participate in developing the system wide capital improvement project request in priority order.

   f. The Chancellor will forward a prioritized capital improvement project list to the Board of Regents for approval.

7. **Existing Facility and Infrastructure Needs**

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

8. **Agreement Between NSHE and State Public Works Board.**

The Chancellor shall establish procedures and divisions of responsibility regarding campus master planning, capital improvement programming, the project design process, construction projects, and for projects financed by state appropriated and non-appropriated funds.

Effective with the 2026 capital improvement budget cycle described in Subsection 6, every even numbered year, NSHE will submit to the State Public Works Board for approval the NSHE procedures and responsibilities that NSHE will undertake regarding campus master planning, capital improvement programming, the project design process, deferred maintenance projects, and capital construction projects.

Rev. 309 (03/24)
Title 4, Chapter 10, Page 49
9. **Use of NSHE Facilities.**

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

   b. Freedom to speak and to hear will be maintained for students, faculty and staff, and University policies and procedures will be used to provide a full and frank exchange of ideas. An effort should be made to allow a balanced program of speakers and ideas.

   c. An invitation to speak at a NSHE institution does not imply that the NSHE or institution endorses the philosophy or ideas presented by the speaker.

   d. Institutional facilities may not be used for the purpose of raising monies to aid projects not related to some authorized activity of the institution or of institutional groups, and no efforts at conversion and solicitation by uninvited non-campus groups or individuals will be permitted on campus.

10. **Policy Statement Regarding Use of System Facilities for Political Events.**

    a. The primary mission of NSHE and its institutions is to educate students. In that regard, we share a common interest in making public facilities reasonably available for First Amendment activities, including political candidates and events. In allowing such use, NSHE and its institutions must use care to avoid the appearance of partisanship, i.e. that the institution favors any particular candidate or party.

    b. Single candidate events should generally be expected to pay standard facility use charges, together with any out-of-pocket costs, such as security, that the institution incurs as part of the event. The institution should seek advance payment of these estimated costs.

    c. Recognized student clubs or faculty groups may sponsor candidate appearances/events if permitted by institution policy, which may result in waiver of facility use charges under institution policy. Any out-of-pocket costs incurred by the institution should still be paid. Student governments and institutional business or facilities officers should seek to track such appearances and encourage compliance with Subsection 8(b) above.

    d. The institution may choose to host multi-candidate events as an educational service to the college or university community and the public. At the election of the institution, these events may be without charge to the candidates, whether for use of the facilities or security, as long as the institution makes its facilities available, if requested, on the same basis to all political parties.

    e. Institutions must follow the provisions of *Nevada Revised Statutes* 293.134 concerning the use of a room or space occupied by State or local government by a state or county central committee.

11. **System Facilities Use Policy.**

    a. **System Facilities.** NSHE operates the following facilities (the “System Facilities”) intended primarily for the use and support of the Board of Regents and the administrative activities of System Administration. The System Facilities are open Monday through Friday, 8:00 am to 5:00 pm (the “operating hours”) excluding holidays recognized by NSHE.
i. System Administration – North: 2601 Enterprise Road, Reno, Nevada 89512.
   • Main Conference Room 100 – seating for up to 60. The most common set up generally seats 11 at a main table and 16 in gallery style seating (with video conference capabilities)
   • Conference Room 134 – seating for up to 7/5 comfortably (with video conference capabilities)

   • Boardroom 102 – large dais with seating for 26, gallery seating for approximately 80 (with video conference and web-streaming capabilities)
   • Pre-Function Area – a area outside the Boardroom that can accommodate around 40 people for informal business or social gatherings
   • Conference Room 101 – seating for 8 (with video conference capabilities)
   • Conference Room 105 – seating for 14 (with video conference capabilities)
   • Conference Room 130 – seating for 8 (no video conference capabilities)

b. Use of the System Facilities.

i. When not being used by the Board of Regents or System Administration, the System Facilities may be used by (1) NSHE institutions, (2) committees of the Legislative Branch of the State of Nevada, and (3) agencies of the Executive Branch of the State of Nevada (such groups shall be collectively known as “secondary groups.”). The term “NSHE institutions” includes colleges, departments, programs, and administrative units of any member institution of NSHE. The System Facilities may not be used by private groups, community/civic groups, political groups, or religious groups except as part of a meeting or event sponsored in-part by the Board of Regents, System Administration, or an NSHE institution. Except as otherwise approved by the Chancellor, use of the System Facilities by secondary groups is limited to the operating hours.

ii. Use of the System Facilities shall be subject to the following order of precedence: (1) Board of Regent and Regent committee meetings and activities, (2) Chancellor and System Administration uses, and (3) use by secondary groups (with preference given to NSHE institutions). The reservation and use of the System Facilities shall at all times be subject to cancellation in the event a group with higher precedence desires to use the System Facilities. Meetings and activities of the Board of Regents and Regent committees will at all times receive the highest precedence for use of the System Facilities.

c. Reservations and Facility Coordinators

i. Secondary groups can request to reserve any of the System Facilities by filling out a System Facilities Reservation Request Form and submitting the completed form to the appropriate “facility coordinator”. The Chancellor shall appoint a facility coordinator for System Administration-North and System Administration-South.
ii. Before accepting a reservation for Boardroom 102 (System Administration South) or Main Conference Room 100 (System Administration North) the facility coordinator to whom the request is submitted will first contact the Chief of Staff to the Board of Regents for approval to make such a reservation and to confirm that the room is not reserved or anticipated to be used by the Board of Regents. In addition, NSHE institutions wishing to reserve Boardroom 102 (System Administration South) or Main Conference Room 100 (System Administration North) must first receive the approval of the President of the institution or his or her designee and submit a signed copy of the Institutional Approval Form.

iii. A reservation for the System Facilities will not be accepted unless all portions of the System Facilities Reservation Request Form are filled out including a detailed description of (1) the nature and purpose of the meeting or event, (2) the number of people expected, (3) information technology and audio/visual needs, (4) plans for catering or food service, and (5) any other special requirements or accommodations for the meeting or event. NSHE reserves the right to require damage and cleanup deposits at the time a reservation is made in amounts it determines to be reasonable and necessary given the nature of the meeting or event.

d. Group Representative. At the time a secondary group makes a reservation for any of the System Facilities, the group shall appoint an individual as the “group representative.” The group representative shall be responsible for (1) coordinating with the facility coordinator, (2) overseeing the meeting or event on behalf of the group, and (3) ensuring that the facility and equipment is not damaged and is returned in clean and good order at the conclusion of the meeting or event.

e. IT Assistance and Technical Support. System Computing Services (“SCS”) provides information technology support and assistance for the System Facilities, including audio/visual and video conferencing support. No other personnel will be allowed to provide information technology or technical support for meetings or events at the System Facilities. Any audio/visual, video conference, or other technical needs must be disclosed to the facility coordinator when the System Facilities Reservation Request Form is submitted. The use of audio/visual, video conference, and other information technology is subject to the availability of SCS to provide service and support and to any conditions necessary to maintain system security, including the submission of electronic documents and materials to SCS in advance of the meeting or event for a IT security evaluation and for compliance with technical requirements. Secondary groups will be responsible for compliance with all software and hardware use restrictions including limitations on the use of intellectual property associated with information technology used for any meetings or events and will indemnify and hold harmless NSHE from any claims or liability related thereto. Unless otherwise waived by the Chancellor, NSHE shall charge secondary groups a cost-based fee for any technical service and support provided by SCS.

f. Catering and Food Service. At the time a System Facilities Reservation Request Form is submitted the group shall request permission to allow catering and food service for the meeting or event. The group holding the meeting or event is responsible for all catering and food service, including payment, setup and preparation, and cleanup. Except as otherwise approved by the Chancellor, secondary groups are prohibited from serving or catering alcoholic beverages as part of any meeting or event in the System Facilities. NSHE reserves the right to refuse catering and food service requests as it deems necessary to avoid damage or disruption to the System Facilities. NSHE will not provide water, coffee or any other convenience items to secondary groups using the System Facilities.
g. Parking. Parking for the System Facilities is on a first come first serve basis and NSHE makes no representations as to the adequacy and availability of parking for any particular meeting or event. NSHE reserves the right to reserve parking for its employees and guests and impose parking rules and restrictions; and all guests and secondary groups will observe any such parking rules and restrictions.

h. Security. NSHE will not provide security for meetings and events held in the System Facilities by secondary groups. NSHE reserves the right to require secondary groups to provide their own security for any meetings or events they hold in the System Facilities and such security is subject to the reasonable approval of NSHE.

i. Facility Administrators. The Chancellor shall appoint “facility administrators” for System Administration-North and System Administration-South. The facility administrators are authorized to grant any approvals or impose any conditions on behalf of NSHE on the use of the System Facilities authorized by this policy.

j. Exceptions to this Policy. The Chancellor is authorized to grant exceptions to the strict application of this System Facilities Use Policy when he or she determines that granting an exception is in the best interests of NSHE or that the application of this policy to a particular meeting or event will not serve the purposes behind this policy.

12. Disposal of Surplus Equipment

The Chancellor shall establish procedures concerning the disposal of surplus equipment.

13. Equipment Inventory

The Chancellor shall establish procedures concerning the inventory of equipment.

(B/R 9/23)

Section 27. Establishment of Checking Accounts

The Chancellor is authorized to establish imprest zero balance checking accounts and to designate signature authority for all such NSHE accounts at the same bank as the Board of Regents' general account. In areas where a local branch office of the bank used for the Board of Regents' general account is not available, the Chancellor, on behalf of the institutions and in consultation with the Chair of the Board’s Investment Committee, may establish imprest zero balance checking accounts with alternative banks, as necessary, until the time such branch offices are available.

(B/R 11/18)

Section 28. The NSHE Estate Tax Fund

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

a. Establishment of the Committee

(1) Regent members should be chosen from different regions of the state.
(2) Administrators will be appointed before faculty representatives.
(3) Faculty representatives will be chosen by the senate chairs, with all faculty eligible for membership.
(4) No administrator and faculty representative may serve from the same campus.

(5) Neither the two administrators nor the two faculty representatives may be from the same region of the state.

(6) Neither the two administrators nor the two faculty representatives may be from the same type of institution.

(7) The student representative will be chosen by student government presidents, with the proviso that no campus and no region may have consecutive terms. It is preferred that the student representative come from a campus not already represented by an official member. Thus, the student representative is to be the last member selected.

(8) There will be no overlapping terms.

b. Functioning of Committee

(1) The Committee will select its own chair.

(2) Campuses not represented on the Committee may appoint an official observer to attend committee meetings. These observers will receive all official Committee correspondence and materials.

(3) Members may appoint proxies and administrators may send designees to meetings of the Committee.

(4) All meetings of the Committee shall be open. Minutes will be kept and circulated, and the Chancellor’s Office will provide staff to the Committee.

(5) The Committee Chair will present Committee recommendations to the Board of Regents.

  (a) The Committee will review priorities set by the Board of Regents through the NSHE biennial budget request.

  (b) The Committee will recommend priorities for Board consideration when determining the use of projected estate tax revenues.

(B/R 11/96)
Resolution 00-6

Whereas: In 1987, the Legislature wisely committed one-half of the Federal Estate Tax Credit to Higher Education in the State of Nevada, and,

Whereas: The Legislature required that the Estate Tax Credit revenue be invested with the Endowment Fund and accumulated with only limited expenditures until the Estate Tax Fund grew to an amount which would produce $2.5 million annual income, and,

Whereas: It appears that the Congress may eliminate or phase-out the Estate Tax, and,

Whereas: The Nevada System of Higher Education has only a limited permanent endowment for higher education, and,

Whereas: The expenditures from the Estate Tax Fund have often been used for operating expenses, and,

Whereas: The Estate Tax Credit revenue has been extremely volatile, and,

Whereas: The Nevada System of Higher Education has no stable reserves to draw upon during financial emergencies, and,

Whereas: A permanent endowment for Higher Education is an investment in the future of the State of Nevada.

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

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

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

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

That there shall be no expenditures that invade the principal of the permanent Estate Tax Endowment except in the case of an emergency as declared by the Board of Regents.

(B/R 8/00)
Section 29. NSHE Energy and Sustainability Policy

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

2. The procedure and guidelines developed under Subsection 1 must be approved by the Board of Regents.

Section 30. Environmental Health and Safety Statement

The following Environmental Health and Safety (EH&S) Statement is applicable to the entire NSHE.

1. The development, implementation, and compliance monitoring of EH&S programs is integral to the NSHE mission. The programs will be structured in such a way that they will become an essential part of campus life. It is the intention of the NSHE Board of Regents that the entire NSHE is a good neighbor in its respective communities with regard to EH&S issues. Each campus and facility is encouraged to maintain an environmental health and safety professional as a permanent member of its professional administrative staff.

2. The authority for the development, implementation, compliance monitoring, and administration of EH&S programs is delegated to the President of each institution. Each institution shall develop programs that best address the EH&S issues specific to that institution. Each institution shall develop an administrative structure to implement EH&S programs in a manner that educates all employees and students and provides knowledge and understanding of the programs. These programs should also consider the health and safety of visitors and the preservation of environmental quality. The EH&S programs shall include, but are not limited to:

   Biological Safety
   Chemical Safety
   Diving Safety
   Driving/Fleet Safety
   Emergency Preparedness, Emergency Response, and Business Continuity/Recovery
   Environmental Protection
   Ergonomics
   Fire Protection
   Hazardous Materials Management
   Incident Investigation and Prevention
   Industrial Hygiene/Indoor Environmental Quality
Each institution shall establish oversight, advisory, and compliance programs for monitoring institutional operations and activities, including establishing relations with governmental regulatory agencies.

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

(B/R 12/02)

**Section 31. Employee Charitable Donations through Payroll Deductions**

1. The Board of Regents desires to provide employees the opportunity to contribute to worthy charitable organizations through payroll deduction in a manner which minimizes disruptions in the workplace, and which does not overburden campus resources. Charitable solicitation campaigns for payroll deduction may be limited to one or more charitable federations at each institution.

2. Each institution shall adopt a policy governing charitable solicitations by payroll deduction in accordance with the following guidelines:
   a. Only federations with local presence representing ten or more organizations will be allowed to conduct charitable campaigns. No individual organization will be granted access.
   b. The organizations represented by the federation must be health, education, or human services agencies recognized under Section 501(c)(3) of the Internal Revenue Code and be eligible to receive tax-deductible contributions under 26 U.S.C. 170.
   c. The federation must distribute at least 70 percent of its total campaign income and revenue to the agencies it supports, and expend no more than 30 percent of its total income and revenue for management, fund-raising, public relations and related overhead costs.
   d. The organizations represented by the federation must provide services, programs and/or support within the state of Nevada.
   e. The federation must be audited annually by an independent certified public accountant, and must publish and make available to the general public an annual report of its activities, accomplishments and expenditures.
   f. The federation and each of its member organizations must operate without discrimination in regard to race, creed, color, age, sex, religion, national origin, handicap, disability or political affiliation.
   g. The federation must honor designated contributions to any 501(c)(3) organizations and may charge a processing fee not to exceed 5 percent plus an amount reflecting the institution's uncollectible rate from the previous year.
   h. Joint, concurrent or staggered campaigns by federations may be allowed if, in the opinion of the institution administration, they do not disrupt the workplace and do not overly burden the institution.
i. Access to payroll deduction by an approved federation may be allowed if the deductions can be accomplished by the payroll system without cost to the institution.

j. If, in the opinion of the President, a single campaign is in the best interest of the institution and the institution’s employees have the opportunity to donate to member agencies of any other federation, then the President may limit the annual employee payroll deduction campaign to a single federated group. The selected federated group must provide for distribution of donations to agencies of other federations and to any 501(c)(3) organizations. The selected federated group must provide reasonable representation in promotional literature and promotional activities for other federated groups that meet the requirements of Subsections 2(a-g).

k. Other requirements not inconsistent with these guidelines.

3. The Chancellor shall prepare and publish one or more RFP’s that include all the requirements set forth herein and other requirements not inconsistent herewith. The Chancellor shall recommend a charitable federation or federations to the Board of Regents to act as the campaign manager or managers for the annual payroll deduction campaigns at system institutions.

4. The provisions of this Section are intended to govern charitable donations through payroll deductions only and do not in any way limit or affect the otherwise appropriate and approved access of organizations or groups to institutional facilities.

(B/R 12/08)

Section 32. Electronic Payment of Employee Payroll

1. Routine payroll transactions for all permanent and temporary NSHE employees, and NSHE student employees paid from sources other than federal work study funds, will be made by electronic payment. Upon authorization from the student, payroll transactions for NSHE student employees paid from federal work study funds will be made by electronic payment.

2. Electronic payment may include direct deposit, debit cards, or other electronic means to one or more accounts maintained at a United States financial institution in the name of the employee.

3. Initial paychecks, terminal paychecks, corrections, and other special circumstances may be paid by check.

4. The direct deposit/electronic payroll deposit transaction will not have an associated fee charged to the employee.

5. It is the employee’s responsibility to ensure that their bank or financial institution information is current.

6. The appointing authority, or designee, of an institution may approve an exception to Subsection 1 in the following circumstances:
   a. Participation in the electronic payment system by the employee would cause undue hardship or extreme inconvenience; or
   b. The employee does not have an account at a financial institution that accepts direct deposit.
In the case of an exception to Subsection 1, a paper paycheck will be generated. Distribution and the associated costs with preparing the paper paycheck will be the responsibility of the institution and not the employee.

(B/R 9/13)

Section 33. Use of Electronic Approvals

1. The Board of Regents supports the development and use of electronic approval processes to promote efficiency and cost savings. Institutions shall use electronic approval processes in lieu of handwritten approvals whenever possible so long as their use is consistent with, and not prohibited by, any applicable state or federal law or NSHE policy.

2. Institutions shall expeditiously develop procedures to implement electronic approvals and to identify, evaluate, and document exceptions where handwritten approvals shall be required.

3. Regardless of the method for implementing electronic approvals, each method shall support the following functions:
   a. Confidentiality – protect content from unauthorized access, so that only the intended audience can view it.
   b. Authenticity – Assure that the document truly comes from the signer.
   c. Integrity – detect unintentional or malicious alteration.
   d. Maintenance – maintain confidentiality, authenticity, and integrity of the record from origination through the entire business process.
   e. Accessibility – allow access to the document across all platforms.

4. At a minimum, such procedures shall:
   a. Identify the person by position who is authorized to sign, approve, and/or prevent unauthorized actions from being taken as a result of an electronic approval and to ensure an appropriate audit trail.
   b. Follow NSHE policies and procedures applicable to contracts.
   c. Include an appropriate form of user authentication (e.g., username/password, PIN, email verification, or digital certificate) with audit capability.

5. Any individual or party that makes inappropriate or illegal use of electronic approvals is subject to sanctions up to and including suspension, dismissal and criminal prosecution as specified in Board policies and state laws.

(B/R 12/13)

Section 34. Institutional Trade-Out Policy

1. General Policy.
   a. A trade-out is defined as an agreement between an institution or branch of the NSHE on behalf of itself or one of its colleges, departments, events centers, performing arts centers, units, programs, or other such entity (hereinafter referred to as the “institution”) and an individual, partnership, corporation, or other such entity for goods or services in exchange for anything of value from the institution, including, but not limited to, advertising, club memberships, sponsorships, or tickets to any event.

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b. Each institution shall adopt more specific trade-out policies in order to implement Board policy tailored to the circumstances of each entity that may make use of trade-outs. Institutional trade-out policies shall be in conformity with the Board of Regents' trade-out policy. The adoption, amendment, or repeal of institutional policy shall be on the recommendation of the President and approved by the Board of Regents. Minimally, the institution's policies must address the following areas: establishing new trade-outs; renewing trade-outs; multi-year trade-outs; non-renewal of trade-outs; audit/review; oversight and authorization; form(s) required; procedures for use of trade-outs.

c. Institutional trade-out policies must be in compliance with all applicable laws, regulations, and Board of Regents’ policies and must be in the best interest of the institution.

d. All trade-out agreements must be in writing and approved by the President or his or her designee. The authority of a president's designee to execute trade-out agreements must be in writing and signed by the President.

e. Trade-outs are to be used solely for the benefit of the institution and exclusively for business purposes. Any personal use or benefit from a trade-out is prohibited.

2. CSN Performing Arts Trade-Out Policy

a. A “trade-out” is defined as an agreement between the Performing Arts Center (PAC) and an individual, business or corporation for goods and/or services in return for something of value from the PAC including, for example, advertising, tickets to performing arts events, sponsorships, etc. This includes trade-out of tickets to performing arts events to volunteers who have donated their personal time without compensation to perform services critical to the event.

b. Trade-out agreements must demonstrate that the value received is of direct and substantial benefit to the College’s performing arts event(s) and is of equal or greater value than the value of the trade from the PAC. Trade-outs are to be used exclusively for the PAC business purposes.

c. Trade-out agreements may be initiated, renewed, provide for terms including duration and cancellation which are consistent with this policy, which are in the best interest of the PAC, and which maximize the opportunity and value of the trade-out. A simplified trade-out accounting form will be used in the instances of event tickets to volunteers donating hours to that event.

(B/R 6/14)

Section 35. Associated Practice Plans

1. Formation of Associated Practice Plans.

An NSHE institution, with the approval of the Board of Regents, may form a separate nonprofit corporation to provide health care services and supplies to the public in support of the teaching, research, patient care and/or clinical missions of the NSHE institution. Such entities shall be considered "Associated Practice Plans."

Associated Practice Plans operating pursuant to this section are not subject to the provisions regarding Affiliated Groups and Foundations set forth in Title 4, Chapter 10, Section 10 of the NSHE Handbook.

3. Requirements for Associated Practice Plans.

Each Associated Practice Plan operating pursuant to this section shall do the following:

a. Form as Nevada Non-Profit Corporation and obtain 501(c)(3) status under the Internal Revenue Code;

b. Provide in its bylaws requirements for membership and provide, at a minimum, that two (2) members of the board of directors of the Associated Practice Plan shall be appointed by the President of the NSHE Institution; and one (1) or more members of the board of directors of the Associated Practice Plan be a representative of the faculty that actively practices through the Associated Practice Plan.

c. Comply with any applicable Medicare and Medicaid requirements for the formation and operation of faculty practice plans;

d. Support of the teaching, research, patient care and/or clinical missions of the NSHE institution through which it is associated;

e. Enter into an Organized Health Care Arrangement with the NSHE institution for the purposes of the Health Insurance Portability and Accountability Act;

f. Abide by financial reporting deadlines established by the Board of Regents either through policies established by the Board of Regents or in a contract between an NSHE institution and the Associated Practice Plan; and

g. Include in its bylaws that upon dissolution of the Associated Practice Plan the assets of the Associated Practice Plan, after satisfying all debts and liabilities, shall be for the benefit of the NSHE institution.


Each Associated Practice Plan shall have a contract with the NSHE institution it is associated with that describes the relationship between the NSHE institution and the Associated Practice Plan. The contract must be approved by the President of the NSHE institution and the Chancellor and, at a minimum, must include the following:

a. Provisions governing financial transactions, financial reporting, and accounting practices of the Associated Practice Plan, including that an annual independent financial audit of the Associated Practice Plan be conducted and an annual report be publicly presented to the Board of Regents;

b. Provisions setting forth the use of shared resources between the Associated Practice Plan and the NSHE institution, including facilities and operational support; and

c. Provisions establishing that any amendment(s) to the bylaws of the Associated Practice Plan must be reviewed by the President of the NSHE institution and the Chancellor prior to the effective date of the amendment(s).
5. Permitted Activities of an Associated Practice Plan.

Each Associated Practice Plan may engage in business activities permitted by applicable law and regulations, which may include:

a. Billing, collecting and disbursing all patient revenues and other revenues earned by the operations;

b. Contracting with an NSHE institution and/or NSHE-employed faculty, resident physicians and/or staff for the provision of services and assignment of clinical revenues;

c. Entering into contractual arrangements, including partnerships or joint ventures with medical facilities, managed care organizations, networks of health care providers, government agencies or other healthcare organizations or entities;

d. Establishing, managing and operating one or more networks of healthcare providers;

e. Creating non-profit subsidiary corporations or other non-profit entities as may be necessary or desirable;

f. Employ and/or contract for clinical and administrative staff members to support the operation; and

g. Establishing rules of practice, quality measures, compliance programs and other standards with which those persons providing services through the Associated Practice Plan, including NSHE-employed faculty, resident physicians and/or staff, must comply.

6. Status of Associated Practice Plan as Separate Legal Entity. Subject to this Section and any contracts between an NSHE Institution and an Associated Practice Plan, each Associated Practice Plan shall be a separate nonprofit corporation under the control of its own board of directors. The Board of Regents, NSHE, and an NSHE institution shall not be liable for any third-party contracts, obligations, debts, and liabilities of an Associated Practice Plan. This notwithstanding, in accordance with the Nevada limited waiver of sovereign immunity provisions set forth in NRS Chapter 41, and when acting in the performance of their duties and within the scope of their employment, NSHE-employed faculty, resident physicians and/or staff shall be considered public employees of NSHE and the cost of defense and payment of claims or judgments shall be made on their behalf through insurance policies or NSHE funds maintained for that purpose, unless the public employee is determined to have acted in a willful or wanton manner.

(B/R 12/19)

Section 36. Reporting of Outside Counsel Appointments

Pursuant to authority established in Title 1, Article VII, Section 3, the Chancellor may appoint outside counsel for System Administration. Annually, the Chancellor will report to the Board all such outside counsel appointments, the duration, and cost.

(B/R 12/22)
Section 37. Working Capital, Reserves, Contingencies, Liquidity

1. Institutions shall adopt the guidelines outlined in this section, or propose alternate guidelines that are more appropriate based on the institutional operations, finances, or performance. If an institution intends to propose alternate guidelines, those guidelines will be presented to the Board for approval.

2. Definitions.
   a. Working Capital. Working capital refers to funds that institutions maintain to ensure the ability to pay for ongoing operational expenses such as employee compensation, utilities, supplies, and other routine expenses recognizing the cash flow fluctuations inherent in the business cycle.
   b. Contingency. Contingency refers to a line item established within a budget to address potential unanticipated cost escalation associated with known risks. A common example is building a contingency into construction or renovation projects or software implementation projects in recognition that there may be unforeseen conditions or circumstances that are identified over the course of a project.
   c. Reserves. Reserves are funds maintained by the institution beyond its routine working capital balance. Reserves may be identified for specific planned future investments; as a safeguard against unknown risks, such as unforeseen revenue shortfalls; and as a resource to fund strategic opportunities that may arise.
   d. Liquidity Ratio. The liquidity ratio measures the number of days of cash on hand (includes short-term investments), and calculates how long, in days, the organization could meet operating expenses without receiving new income. Note that cash on hand includes funds identified as working capital, contingencies, and reserves, and may include gift and other funds subject to specific purpose restrictions.

3. General Guidelines
   a. The following guidelines for working capital, contingencies, reserves and liquidity primarily relate to self-supporting funds. State operational appropriations are distributed on a monthly basis and institutions can reasonably rely on the consistent distribution of these revenues. State capital appropriations are typically managed through the State Public Works Department and include project-specific contingencies.
   b. Institutions should maintain working capital, contingencies, reserves and liquidity ratios based on the institutional risk profile and complexity. These elements are to be included in the institutional annual budget and approved by the President of the institution.
   c. Institutions are expected to determine the amount of working capital that is essential to manage through business cycle fluctuations.
   d. Institutions are expected to budget for contingencies where known risks exist.
   e. Institutions are expected to establish a target balance of the general reserve fund, which should be based on an assessment of the institution's risks, vulnerabilities, and potential liabilities. Reserves may also be established for individual operations, projects, and programs requiring risk management issues specific to the operation/project. The scope of the reserve should be clearly defined, including the reasons for and the amount of funds that will be set aside.
   f. Institutions are expected to establish a liquidity ratio range that balances the risk of having too little cash on hand, which increases the risk that the institution will be unable to meet its cash flow needs, and the risk of having too much cash on hand, which may raise concerns that resources are not being appropriately allocated to current campus needs.
4. Reporting Requirements. Annually, institutions will report to the Business, Finance and Facilities Committee on working capital, reserves, contingencies, and liquidity in a reporting template provided by the Vice Chancellor for Budget and Finance.

(B/R 9/23)