

**BYLAWS OF
THE UNIVERSITY OF TEXAS
HEALTH SCIENCE CENTER AT SAN ANTONIO
SCHOOL OF NURSING
FACULTY PRACTICE PLAN**

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ARTICLE I PURPOSE

The Purpose of the School of Nursing Faculty Practice Plan (“Plan”) is to manage and hold in trust the professional income of faculty members at The University of Texas Health Science Center at San Antonio School of Nursing (“SON”). The Plan’s goal is to promote excellence in teaching, research, clinical service, and administration through clinical practice and compensation strategies that will contribute to and safeguard the Institution’s continued growth in excellence. The Plan sets forth a general framework for compensating faculty that will attract and retain outstanding faculty by rewarding performance, clinical innovation and productivity, research, teaching, and administrative excellence; providing fairness and consistency in compensation determinations; and aligning faculty performance with the Institution’s mission.

ARTICLE II FACULTY EXPECTATIONS

Because nursing is a practice profession, nurse educators should take opportunities whenever possible to practice in their areas of expertise to maintain both their proficiency and national certification. The goal of the Plan is for the faculty clinical practice to provide partial funding for a faculty member’s salary and overhead costs, including fringe benefits.

ARTICLE III DEFINITIONS

- 3.1 Board of Directors or Board** means the advisory board that makes recommendations to the President of the Institution regarding the direction and management of this Plan as set forth in these Bylaws.

- 3.2 Board of Regents or Regents** means the governing body of The University of Texas System, which has the ultimate jurisdiction and responsibility to

govern, operate, support, and maintain each institution of The University of Texas System.

- 3.3 Chair of the Board** means the President of the Institution.
- 3.4 Executive Vice Chancellor for Health Affairs** of The University of Texas System means the individual appointed to that position by the Regents who has the authority granted by the Rules and Regulations of the Board of Regents and the specific responsibilities set forth in these Bylaws.
- 3.5 Institution** means The University of Texas Health Science Center at San Antonio.
- 3.6 Institutional Trust Fund** means the fund established for the deposit and distribution of revenues generated and disbursed according to this Plan.
- 3.7 Member** means SON faculty members. Members are designated to participate in this Plan by the President or a designee, as more fully described in Section 4.1.
- 3.8 Plan** means this SON Faculty Practice Plan.
- 3.9 President** means the person appointed by the Regents to serve as President of the Institution and as Chair of the Board.
- 3.10 Dean** means the person appointed by the President to serve as Chief Academic Administrator of the SON.
- 3.11 Senior Clinical Administrator** Senior Clinical Administrator is a required term used throughout all component institution's bylaws per the express desire of the Regents to have an individual in charge who is both experienced and accountable. For purposes of these bylaws, that person is the Vice Dean for Practice and Engagement and the Executive Director of the Plan of the SON.

ARTICLE IV MEMBERS

- 4.1 Membership.** Membership in the Plan is mandatory for each SON Faculty Member whose appointment is fifty (50%) percent or greater, if the Member generates professional income as defined in Section 9.3. Other part-time faculty members may become Members upon recommendation of the Senior Clinical Administrator and approval of the President or the Dean. This Plan may apply to SON members who do not generate professional income, as determined by the President at the time of appointment or reappointment of the SON member.
- 4.1.1** All Members shall be entitled to vote upon business brought before the membership and be eligible for election or appointment to a committee of the Plan.
- 4.1.2** A Member leaving the faculty for any reason terminates membership in the Plan without recourse.
- 4.2 Memorandum of Appointment and Agreement of Participation.** A Memorandum of Appointment and an Agreement of Participation assigning professional income to the Plan shall be executed annually between each Member and the Institution, in a form prescribed by the Executive Vice Chancellor for Health Affairs, and are a condition for membership and participation in the Plan. Any delay, error or failure to execute these two documents does not relieve a Member of the requirement that all of his or her professional income shall be assigned to the Plan.
- 4.3 Meeting of the Members.** The Members shall meet in general session at least annually in February (the “Annual Meeting”) at a place designated by the President, and at other times at the call of the President. Notice of the Annual Meeting shall be distributed to each Member at least fourteen (14) days prior to the meeting. At least thirty (30) days prior to the Annual Meeting, the President shall appoint a nominating committee to submit nominations for members-at-large to the Members. At its Annual Meeting, the Members shall elect two (2) members-at-large to serve on the Board. These members-at-large shall serve concurrently on the Executive Committee as detailed in Article 5.

- 4.3.1** Special meetings may be called by the Board, the President, or upon written petition of one-third of the Members, subject to fourteen (14) days' notice in writing to all Members. The time, place, and date, of the meeting shall be determined by the Board, and the group requesting the special meeting shall state the purpose.
- 4.3.2** The President or in his or her absence, the Vice Chair (the Dean, per Section 5.2.1.B below), shall preside.
- 4.3.3** The Secretary of the Board shall serve as Secretary of the Plan.
- 4.3.4** One-half of the Members shall constitute a quorum.
- 4.3.5** Proxies shall not be allowed.
- 4.3.6** Unless otherwise specified herein, a simple majority of a quorum present and voting shall constitute a prevailing vote.
- 4.3.7** Mail or electronic votes may be called at the discretion of the President. On matters requiring a vote of the Members, at least fourteen (14) calendar days before the deadline for completion of voting, the Secretary shall provide to each voter, either through the mail or electronically, a mail ballot or instructions for voting electronically, accompanied by background information prepared by the Secretary as the Board may direct, and a deadline for the return of the mail ballots or for electronic voting.
- 4.3.7.1** In the case of mail ballots, each voter shall receive a plain envelope in which to enclose a marked ballot, and a second envelope addressed to the Secretary to be used for the return of the sealed ballot. The envelope addressed to the Secretary shall have a space for the signature of the voter. Ballots lacking this validating signature shall be deemed void.
- 4.3.7.2** For electronic voting, the Secretary shall utilize a system that verifies each voter's identity and maintains security.
- 4.3.8** Minutes of each meeting shall be prepared by the Secretary, published and circulated to each member of the Board and the Executive Vice Chancellor for Health Affairs, and shall be available to each Member upon request. Posting the minutes on a website satisfies this requirement.
- 4.3.9** The rules of order for meetings shall be the current edition of *Robert's Rules of Order*.

ARTICLE V
BOARD OF DIRECTORS

5.1 Powers. The membership, governance, and scope of authority of the Board are prescribed herein.

5.2 Composition and Officers. The Board shall be composed as follows:

5.2.1 Officers of the Board

- A. The Chair shall be the President of the Institution who shall have one vote.
- B. The Vice Chair shall be the Dean of the SON who shall have one vote.
- C. The Treasurer shall be the Chief Business Officer of the Institution, or other similarly skilled senior level administrator who is qualified to serve as determined by the President and who shall be a voting member.
- D. The Secretary shall be the Executive Director of the Plan, serving as an ex-officio, non-voting member of the Board; however, if the Executive Director of the Plan is a Member, he or she shall be a voting member of the Board.

5.2.2 Other Directors

5.2.2.1. The Senior Clinical Administrator who shall have one vote.

5.2.2.2. Two (2) members-at-large will be elected by the Members at their annual meeting, each with one vote. Such members shall be active in clinical practice and may serve no more than two consecutive two-year terms, but may be eligible to serve after an interval of one year thereafter. These members-at-large shall serve concurrently on the Executive Committee.

- 5.2.2.3. One (1) Member appointed by the President in consultation with the Dean. This Member shall be active in clinical practice, have one vote and shall serve concurrently on the Executive Committee.
- 5.2.2.4. The Chief Legal Officer of the Institution shall serve as an ex-officio, non-voting member of the Board.
- 5.2.2.5. Other persons may be appointed by the President as ex-officio members of the Board with or without vote.

- 5.3 Vacancy.** If a vacancy exists for a member-at-large, the Board shall appoint a replacement until the next annual election by the Members.
- 5.4 Annual Meeting.** The Board will assume its responsibilities annually at its February meeting.
- 5.5 Meetings.** The Board shall meet at least quarterly on call of the Chair, or on the written petition of one-half of the Board. Minutes and attendance of all meetings and standing committees shall be recorded, and a copy, including all committee reports and attendance, shall be provided to the Executive Vice Chancellor for Health Affairs, if requested. Special meetings shall be held when called by the President or at the request of fifty (50%) percent of the directors.
- 5.6 Manner of Meetings.** Meetings may be held in a manner determined by the President, including in-person meetings, teleconference, or written unanimous consent. Minutes of meetings by teleconference shall be prepared and filed in the same manner as any other meeting. A written consent in lieu of a meeting shall be in writing, describe the action to be taken, signed by each director, and authorized by the Board. Such consent shall have the same force and effect as a unanimous vote at a meeting.
- 5.7 Quorum.** One-half of the Board shall constitute a quorum. A simple majority vote of directors present and voting shall prevail, provided, however, that any action taken by the Board is subject to approval by the President.
- 5.8 Reports.** The Board shall report its actions, in writing, to the Members at the Members' annual meeting.

ARTICLE VI
THE PRESIDENT AND CHAIR OF THE BOARD

- 6.1 Authority.** The direction and management of the Plan and the control and disposition of its assets shall be vested in the President, who shall act as Chair of the Board, subject to the authority of the Executive Vice Chancellor for Health Affairs and/or the Regents, as set forth in these Bylaws and the Regents' Rules and Regulations, The University of Texas System policies, and Institution policies. The President may approve exceptions to the Plan to meet special teaching, research or clinical service requirements. The President shall have the authority to:
- 6.1.1** Make recommendations regarding faculty compensation, subject to the approval of the Executive Vice Chancellor for Health Affairs;
 - 6.1.2** Appoint a designee to carry out certain functions described herein;
 - 6.1.3** Appoint officers and directors to the Board as set forth in Section 5, and ensure that all presidential appointees to the Board or committees described in Article VII have the appropriate skill and experience to carry out the duties assigned;
 - 6.1.4** Oversee committees of the Plan to ensure that each committee is diligently performing its assigned duties;
 - 6.1.5** Issue administrative procedures further defining implementation of this Plan, subject to the approval of the Executive Vice Chancellor for Health Affairs;
 - 6.1.6** Review amendments to the Plan proposed by the Members or the Board, propose amendments as appropriate to the Board, the Members, the Executive Vice Chancellor for Health Affairs, or the Regents, and transmit amendments to the Executive Vice Chancellor for Health Affairs, or the Regents, as appropriate; and
 - 6.1.7** Take such other action on behalf of the Plan and the Members as deemed necessary, in consultation with the Board.

6.2 Consultation Requirements. The President or a designee shall consult with the Faculty Compensation Advisory Committee and representative faculty groups, such as Members who are representatives in the Institution Faculty Senate or a similar faculty organization, as appropriate, regarding proposed substantive revisions to the Faculty Compensation Plan described in Section 10.1 of these Bylaws, before submitting such revisions to the Executive Vice Chancellor for Health Affairs for approval.

ARTICLE VII COMMITTEES

7.1 Standing Committees of the Board. Members of the following standing committees shall be appointed by the President, in consultation with the Board, except as specifically designated herein. The President shall appoint the chair of each committee. Committee appointments are for two years and may be renewed for additional two year terms at the discretion of the President. All committees shall report to the Board, including Institutional committees that perform the described duties on behalf of the Plan.

7.1.1 The Executive Committee. The Executive Committee shall be chaired by the Senior Clinical Administrator, and it shall be comprised of two elected voting SON Members (serving simultaneously as the Board of Directors, see 5.2.2.1), one appointed voting SON Member (serving concurrently as a Board member, see 5.2.2.2), and ex officio members without votes who are the Chief Business Officer of the Institution, and the Associate Dean of Finance for Administration. Subject to the provisions of Articles 5 and 6, the duties of the Executive Committee shall include, but not be limited to, the following-

7.1.1.1 Develop, approve and recommend to the Board policies, practices, procedures, and rules for the governance and implementation of the Plan;

7.1.1.2 Assist SON faculty in integrating student experiences and Institutional research into the provision of SON nursing practice, consultation, and community education activities;

7.1.1.3 Review proposals for Plan activities in order to support SON stated objectives, as well as to support

collaboration and to eliminate redundancy with other Institutional activities;

7.1.1.4 Evaluate the Plan's performance on an annual basis and make recommendations to the Board.

7.1.2 The **Budget and Finance Committee** shall be chaired by the Dean of the School of Nursing or under exceptional circumstances in his/her absence, the Senior Clinical Administrator, and shall consist of the Institution's Chief Business and Finance Officer, a SON representative from a faculty organization such as the Institution's Faculty Senate who is a Member, and three (3) other members appointed by the President. The duties of the Budget and Finance Committee shall include, but not be limited to:

- A. Developing annual operating and capital budgets for the Plan for approval by the Board;
- B. Reviewing and approving unbudgeted expenditures greater than One Thousand Dollars (\$1,000.00) for approval by the Board;
- C. Reviewing and approving financial reports for presentation to the Board;
- D. Reviewing billing and collection activities and making appropriate recommendations to the Board;
- E. Reviewing the financial impact of proposed programs and services, and proposed capital investments, and reporting findings to the Board for approval;
- F. Developing professional fee schedules for approval by the Board; and
- G. Recommending to the Board any action necessary to address budgetary changes or shortfalls.

7.1.3 The **Institutional Compliance Committee** shall act as the Compliance and Ethics Committee of the Plan, whose duties shall include, but not be limited to:

- A. Developing and overseeing compliance plans, including training of faculty and staff, to assure that billing and collecting comply with local, state and federal statutes, rules and guidelines;
- B. Reviewing compliance reports and making appropriate recommendations to the Board;
- C. Reviewing findings of Professional Affairs and Audit Committees and making appropriate recommendations to the Board;
- D. Making recommendations to the Audit Committee; and
- E. Complying with the Institutional Compliance Plan.

7.1.4 The **Professional Affairs Committee** shall be comprised 3 (Three) Members appointed by the President and chaired by the Senior Clinical Administrator and shall include the Dean of the School of Nursing who shall be an ex officio member. The duties of the Professional Affairs Committee shall include, but not be limited to:

- A. Reviewing and recommending action to the Board concerning membership in the Plan not expressly required by the Bylaws;
- B. Developing and overseeing a plan that assures appropriate credentialing and peer review of all Members of the Plan; and
- C. Developing and overseeing a quality improvement and patient safety program.

7.1.5 The **Audit Committee** shall be chaired by the President. The Institutional Audit Committee shall act as the audit committee for the Plan. The President may appoint additional members to the Audit Committee, including officers of the Board. The duties of the Audit Committee shall include, but not be limited to:

- A. Developing and overseeing an annual audit plan, to include audits of any entity contracted for business operations of the Plan;

- B. Reviewing audit reports and ensuring that findings and recommendations of the auditor are forwarded to the appropriate committees or departments;
- C. Monitoring the implementation of and compliance with the recommended corrective action, if any; and
- D. Making recommendations to the Board, as appropriate.

7.1.6 The **Faculty Compensation Advisory Committee** shall advise the Board on matters related to compensation. The chair of the committee shall be the Senior Clinical Administrator. The Faculty Compensation Advisory Committee shall include as a committee member a person who is a member of the Plan and of a faculty representative group such as the Institution Faculty Senate, and may include members of, and may receive advice from, any of the Institution's other faculty compensation committees. The committee shall provide advice related to developing mechanisms for obtaining faculty input. .

7.2 Meetings of Standing Committees. Standing committees shall meet at least quarterly or on the call of the chair of the committee, keep minutes of the meetings, and report actions and recommendations, in writing, to the Board.

7.3 Additional Committees. The President, in consultation with the Board, may create other standing and *ad hoc* committees from among the directors or the Members to make recommendations upon specific matters. Committees may also be created at the request of a majority of the Members. Appointment to these committees shall be noted in the minutes of the Board, including any restriction on membership. The minutes shall be kept of committee meetings, and recommendations shall be submitted to the Board in writing. The Board may eliminate a standing committee as circumstances change, subject to the prior approval of the Executive Vice Chancellor for Health Affairs.

**ARTICLE VIII
BUSINESS OPERATIONS**

- 8.1 Operating Budget.** The Budget and Finance Committee shall prepare an annual operating budget for all income and expenditures of the Plan for approval by the Board. Such approval shall be in accordance with the Budget Rules and Procedures of the Regents.
- 8.2 Executive Director.** The President, in consultation with the Board, shall appoint an Executive Director of the Plan who shall serve as the general administrative officer and business manager of the Plan at the pleasure of the President.
- 8.2.1** The Executive Director shall be under the direction and supervision of the President or a designee.
- 8.2.2** The Executive Director shall prepare financial reports for the Plan, which shall be submitted to the Board at each regular meeting. Quarterly financial reports shall be submitted to and in a format approved by the Executive Vice Chancellor for Health Affairs.
- 8.2.3** The Executive Director shall maintain detailed records of all operational and financial information regarding the Plan.
- 8.3 Business Office.** A Business Office shall be maintained for the Plan under the direction of the President or a designee, consistent with the rules, regulations, and policies of The University of Texas System and Institution policies.
- 8.3.1** The President, in consultation with the Board, and subject to Regents' Rules, may contract with an entity to administer the business operations of the Plan, including but not limited to, strategic development, marketing, billing for and collection of professional fees, contracting for professional services, clinic operations, credentialing, and managed care operations. Contract oversight, reporting, corporate compliance, and financial audit of the entity are the responsibilities of the appropriate officers or committees of the Board. Contracting with an outside entity for billing and collection of professional fees requires the prior approval of the Executive Vice Chancellor for Health Affairs.
- 8.3.2** Except as provided in Section 8.4.1 above, professional fees and Plan-related technical fees shall be centrally billed and collected by the business office for the Plan, in accordance with procedures developed

by the Board and applicable policies of The University of Texas System and the Institution. All personnel in the business office who have responsibilities for billing and collection for professional services of the Members shall be under the control of and assigned for personnel matters to the Executive Director.

8.3.3 All collections received from the professional services of Members and all monies received from other sources of professional income described in Section 9.3 below shall be deposited in the Institutional Trust Fund.

8.4 Authorized Professional Business Expenditures. Professional business expenditures authorized by the Regents are set forth in Appendix A.

ARTICLE IX INSTITUTIONAL TRUST FUND

9.1 Fund. An Institutional Trust Fund has been established for the receipt and disbursement of Plan income.

9.2 Audit. The Institutional Trust Fund shall be audited in accordance with rules, regulations, and policies of The University of Texas System and the Institution. The cost of the audit shall be paid from the Institutional Trust Fund.

9.3 Sources of Income.

9.3.1 Pursuant to the Member's Memorandum of Appointment and Agreement of Participation with the Institution for participation in the Plan, each Member shall assign all professional income (including any technical component) to the Institutional Trust Fund, including, but not limited to:

A. Professional fees (and any other monies or material considerations provided in the context of clinical services to patients) generated for all patient care services rendered by full-time faculty Members regardless of where rendered;

B. Professional fees (and any other monies or material considerations provided in the context of clinical services to patients) generated for all patient care services rendered by

part-time faculty Members, if such fees are generated in connection with the Member's appointment;

- C. Subject to allowances as established in Institutional policies, fees for all court appearances, depositions, expert testimony, or legal consultations; and,
- D. Gifts of cash or cash equivalents provided in the context of patient-care activities.

9.3.2 The following are not professional income and may be retained by the Member:

- A. Honoraria, defined as payments by entities outside The University of Texas System for occasional lectures and similar public appearances beyond normal academic responsibilities to the Institution, that are not in return for other services related to the Member's appointment to the faculty and that are in compliance with Section 36.07 of the Texas Penal Code, whether given directly or indirectly;
- B. Royalties, defined as shares or proceeds for contributions as authors or inventors, as permitted under The University of Texas System's copyright and patent policies;
- C. Payment for editing scientific publications;
- D. Prizes, defined as gifts in recognition of personal achievement and not for services rendered;
- E. Income from a profession or activity unrelated to the training and experience which is the individual's qualification for appointment to the faculty, as determined by the Dean in consultation with the President; and
- F. Tangible and non-tangible non-cash gifts, only as permitted by state law or The University of Texas System or Institution policies or rules.

9.3.3 Payments to Members from pharmaceutical, medical device, biotechnology, or related industries, as well as stipends for serving on boards of directors or advisory boards, shall be addressed in an Institution policy governing such activities and the receipt of such payments. The policy also shall address conflicts of interest, conflicts of commitment with faculty responsibilities related to income from

outside professional activities, and the maximum income that the Member can retain from outside professional activities. The policy must be approved by the Executive Vice Chancellor for Health Affairs.

9.3.4 Income may be accepted from voluntary and part-time faculty who are not Members of the Plan, at the discretion of the individual, upon the recommendation of the Dean, and approval of the President.

9.3.5 Other income not specifically described above shall be reported to the President or a designee, who shall determine whether such income will be considered professional income.

9.4 Reports. Each Member shall file a report annually regarding outside professional activities from which the Member retained income in accordance with institutional policy. The policy must be approved by the Executive Vice Chancellor for Health Affairs.

9.5 Determination of Professional Fees. The Budget and Finance Committee shall prepare a fee schedule, which shall be used for billing purposes, subject to approval by the President, in consultation with the Board. Substantive changes in the fee schedule must be approved by the President. Guidelines for discounting fees, if any, will be developed by the Board.

ARTICLE X FACULTY COMPENSATION

10.1 Components of Faculty Compensation. The Institution's Faculty Compensation Plan ("Compensation Plan") is a separate document that describes a process to compensate faculty performance and maintain and enhance faculty excellence in support of patient care, education, and research. The Compensation Plan shall be comprised of three major components with subparts as determined by the President after consulting with faculty as required in Section 6.2 above. The three components are (a) Base Salary, (b) Supplemental Compensation, and (c) Incentive Compensation. "Total Compensation" refers to the aggregate compensation derived from these three components.

10.1.1 Base Salary. Base Salary is that part of a Member's salary based on a Member's academic rank. Base Salary shall be designated annually in the Member's Memorandum of Appointment. Base Salary may be

derived from any reasonable method, such as salary survey results by nationally recognized organizations that are commonly relied upon by university health institutions to establish similar types of compensation.

10.1.2 Supplemental Compensation. Supplemental Compensation is that part of a Members' annual fixed compensation stated in the Memorandum of Appointment that is determined by a Member's area of practice or specialty, administrative duties while performed, and other positions, tasks, responsibilities or contributions that are duly assigned to the Member and for which compensation is not received as either Base Salary or Incentive Compensation.

10.1.3 Incentive Compensation. Incentive compensation, if any, is that part of a Member's compensation for performance that is not fixed and is determined through the application of an established and equitably applied formula that rewards outstanding performance and productivity and also factors in any negative aspects of a Members' performance or productivity. Incentive compensation may be based on any aspect of a Member's duties, such as teaching, research, public service, clinical productivity, awards of grants or other types of research funding, teaching, service to the institution or any other facet of job performance.

10.2 **Appeal of Compensation Determination.** A Member may appeal a compensation determination according to the appeals procedure set forth in the Compensation Plan.

10.3 **Approval of Compensation Plan.** The Compensation Plan is subject to approval by the Executive Vice Chancellor for Health Affairs.

ARTICLE XI GENERAL PROVISIONS

11.1 **Compliance and Ethics.** Each Member shall abide by the ethical standards and principles of the state and national professional associations of the Member's discipline. Each Member shall comply with federal, state and local laws and regulations.

- 11.2 Sarbanes-Oxley Act of 2002.** The Board and the Executive Director shall, with respect to the operation of the Plan, implement the spirit of the Sarbanes-Oxley Act of 2002, consistent with The University of Texas System and Institution policies and rules related to financial activities and reporting, and the codes of ethics of the System and the Institution.
- 11.3 Amendments.** These Bylaws have been developed within the standard format approved by the Regents. Substantive amendments may be made only upon approval by the Regents. Non-substantive amendments may be approved upon written request of the Executive Vice Chancellor for Health Affairs. All proposed amendments shall be submitted to the Executive Vice Chancellor for Health Affairs, who will determine whether the approval of the Regents is required.
- 11.3.1** Recommendations for amendments to these Bylaws may be made by a simple majority (50.001%) of Members voting at a special meeting called for the purpose, the Board, or the President.
- 11.3.2** Recommendation for substantive amendments to these Bylaws requires a two-thirds vote of a quorum of the Members at any regular meeting of the Members or a meeting called specifically for this purpose, provided that the proposed amendments shall have been submitted by written notice (which may be by email or other electronic communication) to the Members not less than thirty (30) days prior to the meeting at which the amendment is brought to a vote.
- 11.3.3** Notice of proposed amendments to these Bylaws shall include the complete text of the proposed amendments.
- 11.3.4** Substantive amendments shall become effective upon approval of the Regents. Non-substantive amendments may be approved by the Executive Vice Chancellor for Health Affairs, and shall become effective upon such approval.
- 11.4 Dissolution.** The Plan may be dissolved by the Regents or by applicable law. All monies residual in the Institutional Trust Fund shall be used to discharge obligations of the Plan with the balance to become the property of the Institution.

11.5 Plan is Not a Contract. This Plan does not constitute a contract or grant any rights beyond which any person is already entitled. The Regents retain the right to modify or terminate the Plan at any time.

APPENDIX A

AUTHORIZED PROFESSIONAL BUSINESS EXPENDITURES

<u>Authorized Business Expense</u>	<u>Maximum</u>
1. Malpractice Insurance	U.T. System self-insurance rates
2. Official travel, including registration fees (see No. 17, Official Institutional Functions and Official Entertainment)	In accordance with policy and limits, established by U. T. System and the Institution not to exceed actual expense
3. Faculty Development Leave	In accordance with the Regents' Rules and Regulations and Institutional Policy
4. Uniforms or Lab Coats	Through Institutional purchasing
5. Membership Dues in Professional Scientific Organizations, Faculty Clubs, Medical Center clubs, or equivalent	In accordance with Institutional policy. Faculty Clubs, Medical Center clubs, or equivalent with President's approval
6. Texas State Clinical License Fee, including applicable License	Annual fee; reimbursement expenditure only
7. Medically-Related Educational Aids	In accordance with Institutional policy
8. Base Salary, Supplemental Compensation, and Incentive Compensation including key administrators per 4.1.	In accordance with Institutional and U. T. System Policy
9. Purchase, maintenance and operation of equipment and operation of U. T. System facilities	In accordance with Institutional policy
10. Ordinary and necessary business expenses incurred by the Member in earning the professional fees charged by said Member, excluding entertainment (see No. 17, Official Institutional Functions and Official Entertainment)	In accordance with Institutional policy

Authorized Business Expense

Maximum

- | | | |
|-----|---|---|
| 11. | Registration fees and tuition incident to attendance at meetings and courses as requested or approved by Institution | In accordance with Institutional policy |
| 12. | Consultant fees and expenses, including guest speakers at official institutionally sponsored or approved meetings | In accordance with U. T. System and Institutional policy |
| 13. | Expenses incident to faculty or staff recruitment (see No. 17, Official Institutional Functions and Official Entertainment) | In accordance with Institutional policy |
| 14. | Establishment or endowment of programs, professorships, or chairs | In accordance with U. T. System and Institutional policy |
| 15. | Support of academic programs and projects involving education, research or patient care | In accordance with Institutional policy |
| 16. | Institutional participation in community, organizations or events | In accordance with Institutional policy |
| 17. | Official Institutional Functions and Official Entertainment
Official entertainment is defined as business-related events or expenditures which are of documented benefit to the Institution or The U. T. System. | In accordance with Institutional policy, provided, however, prior presidential approval is required for any expenditures greater than \$2,500. A quarterly report of all expenditures approved in this category shall be filed with the Executive Vice Chancellor for Health Affairs. |

- No SON Plan funds may be expended for the benefit of any single individual person or Member except as herein approved.
- All requests for reimbursement must contain adequate documentation and must be signed by the person seeking reimbursement.
- All expenditures are subject to the Rules and Regulations of the Board of Regents of The U.T. System and applicable institutional regulations and procedures. This list of authorized expenditures may be periodically amended by action of the Executive Vice Chancellor for Health Affairs.