

HOWARD PAYNE UNIVERSITY

Policies Adopted by the

Board of Trustees

HOWARD PAYNE UNIVERSITY

MISSION STATEMENT

Howard Payne University is a Christ-centered academic community dedicated to excellence by developing and equipping the whole person for intellectual inquiry, personal and professional integrity, and service to God and humanity.

Approved by the Howard Payne University Board of Trustees, July 27, 2010

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Academic / Faculty Services

Academic Freedom and Responsibility

Academic freedom provides one of the foundational pillars for faculty scholarship and teaching. These fundamental faculty responsibilities depend on an uninhibited search for truth and its open expression. The ability to exchange ideas and concepts freely in the classroom, to explore and disseminate new knowledge, and to speak professionally and as a private citizen are essential elements for the intellectual vitality of a university.

Academic freedom is the freedom of the faculty member to teach free from pressure, penalties, or other threats by authorities or other persons inside or outside their institutions of learning. It is the freedom of the student to be taught by unrestrained teachers and to have access to all available data pertinent to the subject of study at an appropriate educational level.

Each faculty member is entitled to full freedom in the classroom in discussing the subject which he or she teaches but is expected not to introduce controversial matters which have no relation to the classroom subject. Each faculty member is also a citizen of the larger community; and when speaking, writing, or acting as such, must be free from institutional censorship or discipline subject to academic responsibility. In such instances, the faculty member should make it clear that he or she is not speaking for the university.

Academic Responsibility of Faculty Members

The concept of academic freedom for faculty must be accompanied by an equally demanding concept of academic responsibility. Faculty members have a responsibility to the university, their profession, their students, and society at large. The rights and privileges of faculty members require reciprocally the assumption of certain responsibilities by faculty members. Some of those are:

1. The fundamental responsibilities of faculty members as teachers and scholars, in keeping with the Christian mission of the university and the general employment policy, include maintenance and competence in their field of specialization and the exhibition of professional competence in the classroom, studio, or laboratory.
2. The exercise of professional integrity by faculty members includes recognition that the public will judge their profession and university by their statements. Therefore, faculty members should strive to be accurate, to exercise appropriate restraint, to be willing to listen to and show respect for others expressing different

opinions, and to avoid creating the impression that they speak or act for their college or university when speaking or acting as a private person.

3. Faculty members should be professional in their conduct and in relationships with students. They should maintain respect for the students and for the student's posture as a learner and should be appropriately available to students for consultation on course work.

Adopted 11/18/2003

Faculty Employment Policy – Tenure

(Applicable to Faculty Hired Prior to March 12, 1991)

General Employment Policy

It shall be the policy of Howard Payne University at all times to strive for a faculty with the highest possible scholastic attainments, unquestionable Christian character, positive and consecrated Christian attitude and who are members, in good standing, of Baptist churches. While members of other Christian churches may be considered for teaching positions when Baptist applicants are not available, the administration shall give preference to Baptists with the same qualifications. Due to the history and mission of this university, only Baptists will be considered for teaching positions in the School of Christian Studies. The members of the faculty shall be expected to keep current in their respective fields of instruction and demonstrate dedication to the teaching profession.

Teaching Contracts and Tenure

This policy is intended to give the faculty member at Howard Payne University a measure of security and to prevent arbitrary or whimsical dismissal. It replaces all tenure-related policies previously adopted and applies to faculty employed prior to March 12, 1991 who elect to pursue their tenure right. Howard Payne University is committed to academic freedom as defined in the Board policy regarding Academic Freedom and Responsibility.

Definition of Tenure

Tenure, as herein used, means that a faculty member, after the expiration of a probationary period, shall have permanent status with the university unless his/her services are terminated for any of the reasons given below. It means, further, that in case his/her services are terminated by the university, he/she shall be told in writing the reason or reasons, and shall have the right to a hearing before the Faculty Grievance and Appeal Committee, as described in the *Policies and Procedures Manual*, section 2.17, before the action is final. The granting of tenure relates to employment with the university and not to a specific position. Tenure is granted to those faculty who evidence exceptional performance on the Criteria for Academic Rank, Promotion, and Tenure, sections 2.18 and 2.19. This policy shall apply to any full-time teacher above the rank of instructor.

Limitations on Employment

Tenured or non-tenured employment may be terminated at any time with three months' notice for violation of the university's Drug and Alcohol Policy, change in educational programs, breach of contract, failure to perform duties in a professional and competent manner, insubordination, mental or physical disability, or financial exigency, or immediately for reasons of moral turpitude. Such cause or causes shall be put in writing and delivered to the faculty member who shall then have the right of a hearing before the Faculty Grievance and Appeal Committee.

The university's normal retirement age is sixty-five (65). Some changes in benefits may occur at the end of the academic year in which the faculty member's sixty-fifth birthday occurs. The university does not mandate retirement at any age; however, the university may require retirement if an employee is no longer capable of fulfilling responsibilities or becomes unqualified for his/her position, or other factors deemed relevant to the goals of the university.

Contract Time

Each faculty member shall be offered a contract for the succeeding year (or notified that one will not be offered) by the first day of April each year. For faculty members with four or more years of experience (full-time teaching at Howard Payne) the date of notification for non-renewal will be on or before December 15. For faculty members with two or three years of experience (full-time teaching at Howard Payne) the date of notification of non-renewal will be on or before February 15. For faculty members in their first or second year of full-time teaching at Howard Payne, the date for notification for non-renewal will be on or before April 1.

Limits on Tenure

Tenure applies only to the teaching aspect of a faculty member's assignment. Administrative assignments, coaching assignments, and other non-teaching assignments are contracted annually as a part of the issuance of a new annual contract and the duties therein may be adjusted within the assigned period as needed.

Applicability of Policy

Those presently on tenure will retain this status.

Adopted 11/18/03

Faculty Employment Policy - Multi-year Contract

See also Employment Policy for All Employees
(Applicable to Faculty Hired After March 12, 1991)

General Employment Policy

It shall be the policy of Howard Payne University at all times to strive for a faculty with the highest possible scholastic attainments, unquestionable Christian character, positive and consecrated Christian attitude and who are members, in good standing, of Baptist churches. While members of other Christian churches may be considered for teaching positions when Baptist applicants are not available, the administration shall give preference to Baptists with the same qualifications. Due to the history and mission of this university, only Baptists will be considered for teaching positions in the School of Christian Studies. The members of the faculty shall be expected to keep current in their respective fields of instruction and demonstrate dedication to the teaching profession.

Teaching Contracts

This policy is intended to give the faculty member at Howard Payne University a measure of security and to prevent arbitrary or whimsical dismissal. It replaces all tenure-related policies previously adopted for those faculty employed prior to March 12, 1991 who waive their rights to tenure consideration. Howard Payne University is committed to academic freedom as defined in the Board policy regarding Academic Freedom and Responsibility.

Definition of Multi-year Contract

Multi-year contract, as herein used, means that a faculty member, after the expiration of a probationary period, may receive subsequent contracts which prescribe the intention of the university to continue to employ the faculty member for an extended future time period. Such multi-year contracts may be extended for one year, two years, or three years. A new contract will be issued each year following the university's Faculty Evaluation process described in the *Policies and Procedures Manual*, section 2.19. Subsequent contracts may be offered for the maximum time of three years, or in cases where the evaluation process indicates the necessity, may be offered for one year less each year until the last contract expires. In addition, the faculty member's services may be terminated for any of the reasons given below. It means, further, that in case his/her services are terminated by the university, he/she shall be told in writing the reason or reasons, and shall have the right to a hearing before the Faculty Grievance and Appeal

Committee, as described in the *Policies and Procedures Manual*, section 2.17 before the action is final. This policy shall apply to any full-time teacher holding the rank of instructor or above.

Requirements for Multi-year Contract Eligibility

1. Be a member in good standing of a Baptist church or other Christian church;
2. Hold the rank of Instructor, Assistant, Associate or Full Professor;
3. Hold the minimum earned degree (or equivalent) in his/her field which will meet the accreditation standards of the Southern Association of Colleges and Schools;
4. Have completed at least a one-year probationary period of teaching at Howard Payne University;
5. Have desirable professional and personal qualities such as: consistency in support of university goals and mission, devotion to the teaching profession, moral and ethical character beyond reproach, good public relations with students and others;
6. Demonstrate competent attainments and performance of the Criteria for Academic Rank and Promotion found in the *Policies and Procedures Manual*, sections 2.18 and 2.19.

Progression of Contracts

Each faculty member shall initially be given a one-year contract. Each faculty member, after having completed a year in a manner to indicate that his continued services are desirable, may be offered, if re-employed, subsequent one-year contracts or a two-year continuing contract, based on the university faculty evaluation procedure. Following the completion of the first year of a two-year continuing contract, a three-year continuing contract, another two-year continuing contract or a one-year contract may be offered, again based on the university faculty evaluation procedure. Similarly, a faculty member who has received a three-year continuing contract may receive an additional three-year continuing contract or a two-year continuing contract, followed in the next year by a one-year contract, another two-year continuing contract, or a three-year continuing contract. All recommendations on contract renewal will be made by the Vice President for Academic Affairs to the President.

Limitations on Employment

Employment on one-year or multi-year contracts may be terminated at any time with three months' notice for violation of the university's Drug and Alcohol Policy, change in educational programs, breach of contract, failure to perform duties in a professional and

competent manner, insubordination, mental or physical disability, or financial exigency, or immediately for reasons of moral turpitude. Such cause or causes shall be put in writing and delivered to the faculty member who shall then have the right of a hearing before the Faculty Grievance and Appeal Committee.

The university's normal retirement age is sixty-five (65). Some changes in benefits may occur at the end of the academic year in which the faculty member's sixty-fifth birthday occurs. The university does not mandate retirement at any age; however, the university may require retirement if an employee is no longer capable of fulfilling responsibilities or becomes unqualified for his/her position, or other factors deemed relevant to the goals of the university.

Contract Time

Each full-time faculty member shall be offered a contract for the succeeding year by the first day of April each year. The date of notification for non-renewal will be on or before December 15, except for faculty members in their first year of full-time teaching at Howard Payne. For faculty members in their first year of full-time teaching at Howard Payne the date for notification for non-renewal will be on or before April 1. No employee shall have any right regarding the renewal of a contract upon the expiration of the contract's term. The failure of the University to provide notice of nonrenewal by the times and dates specified in the University's Policies and Procedures Manual shall not give the employee a renewal right.

Limits on Multi-year Contracts

There is no restriction on the number of faculty who may receive multi-year contracts. However, multi-year contracts apply only to the teaching aspect of a faculty member's assignment. Administrative assignments, coaching assignments, and other non-teaching assignments are contracted annually as a part of the issuance of a new annual contract and the duties therein may be adjusted within the assigned period as needed.

Applicability of Policy

Those presently on tenure will retain this status; experience credit for all other faculty members began with the issuance of contracts for the 1991-92 academic year.

Adopted 11/18/2003
Revised 4/1/2008

Granting of Earned Degrees

Upon the recommendation of the faculty and the Academic/Faculty Services Committee, the Board of Trustees shall approve the awarding of earned degrees.

Adopted 11/18/2003

Honorary Doctorate Policy

Guidelines for Awarding Honorary Doctorates

An Honorary Doctorate is the highest recognition Howard Payne University can bestow. Therefore, candidates should be Christian men or women who have lived their lives with such distinction and purpose that they serve as models worthy of emulation and respect. The conferring of an honorary degree should be a special and extraordinary tribute and should not be expected to occur routinely at every commencement.

Nominees will be considered using the following criteria.

1. Candidates should have demonstrated commitment to the cause of Christ as the context for their academic, scholarly, professional, and/or public service.
2. Candidates and their achievements will reflect the broad spectrum of Christian service and leadership across professions, cultures, and regions.
3. Honorary degrees are not normally awarded to candidates for public office, elected officials currently in office, or to Howard Payne University faculty, staff, administrators, or trustees currently in service.
4. Honorary degrees are not normally awarded in absentia or posthumously.
5. Honorary degrees are to be awarded at HPU Commencement Ceremonies. Rare exceptions to this practice will be allowed under special circumstances.
6. Howard Payne University will award a maximum of four honorary degrees per calendar year unless special circumstances exist.

The following guidelines will be used to receive nominations and to select candidates for the award.

Any member of the university family, including trustees, administrators, alumni, faculty or staff, may nominate candidates by submitting a formal nomination. Nominations from other sources should be directed to a member of the university family.

1. A formal nomination should include the following:
 - ◆ Completed Nomination Form with rationale for nomination.
 - ◆ Curriculum Vita or Resume of nominee.
 - ◆ A brief biographical overview of the nominee.
 - ◆ Three letters of recommendation.

2. The Academic/Faculty Services Committee will organize a selection committee made up of the following representatives:
 - ◆ The university president or his/her representative.
 - ◆ A university dean or vice president.
 - ◆ A faculty or staff member appointed or elected by the faculty assembly.
 - ◆ Two trustees elected from the Academic/Faculty Services Committee.
3. The selection committee will consider all formal nominations.
4. All matters related to individual nominations shall be handled with strict confidentiality in order to avoid potential embarrassment to the nominee and the university.
5. The selection committee will vote by secret ballot to indicate one of the following options for the nominee and the treatment of nomination materials.
 - ◆ *Immediate selection* of nominee to receive Honorary Doctorate at the next HPU Commencement. Four of five votes required. (Nomination materials passed to Academic/Faculty Services Committee for approval.)

OR

- ◆ *Postponement of honor* and retention of nomination forms for consideration during the next two years. (Nomination materials retained in confidential file to be located in the office of the Vice President for Academic Affairs of HPU.)

OR

- ◆ *Rejection* of nominee for honor. (Nomination materials destroyed.)
6. Nomination materials of selected candidates will be forwarded to the Academic/Faculty Services Committee for approval. Upon approval and recommendation of the committee, nominations will be presented to the HPU Board of Trustees for final approval.
 7. Selected nominees will be notified personally and by letter from the President of Howard Payne University.

8. The HPU Board of Trustees reserves the right to withdraw the award if, in its opinion, the recipient, by continuing to hold the award, would bring the reputation of the university into disrepute.

Adopted 11/18/2003
Revised 12/2/2008

Intellectual Property and Ownership

“Intellectual property” is defined as anything developed that fits, but is not limited to, one or more of the following categories: an invention, an issued patent, a copyrighted work, a legal right that inheres in a patent, copyright, trademark, or know-how or trade secrets.

Generally, faculty, staff, or students have the right to patent, copyright, publish, or otherwise establish ownership of a creative work, to market any commercially valuable creative work which they produce by means of their own expertise and labor, and to receive any and all royalties which result from such a work subject only to the following conditions.

1. If a creative work is produced as an assigned duty, i.e. a specific directive to prepare such a work, the intellectual property is considered “work for hire” and ownership rights belong to Howard Payne University, unless these rights are relinquished by the University to the individual.

Note: The general obligation to engage in research and scholarship which may result in publication is not an assigned duty nor does it result in works “made for hire.”

2. If a creative work is produced by faculty, staff, or students by making significant use of Howard Payne University facilities and resources, ownership rights may be jointly shared between the individual and Howard Payne University. What constitutes significant use of University facilities, personnel, and resources is a question that must be answered on the basis of the facts and circumstances of each case. A University-wide formula to define “significant use” is inappropriate because of the different needs among various disciplines. Normal usage of library resources, secretarial help, word processing equipment, or other support services do not constitute a significant use. If a question arises, the creator should seek a written opinion from the appropriate School Dean. If there is a disagreement, the matter should be appealed to the Vice President for Academic Affairs.

Adopted 11/18/2003

Relationship with the Douglas MacArthur Academy of Freedom

Since its inception in 1963, the Douglas MacArthur Academy of Freedom has been a vital part of the University's academic program, offering high quality instruction in political sciences and upholding the ideals of American exceptionalism in government and public policy. The University Board of Trustees recognizes with great appreciation the work of the Academy Board of Directors in their continual efforts to sustain and support the Academy. The Board of Trustees also recognizes the importance of the assistance and counsel of the Board of Directors for the current and future advancement of the Academy of Freedom program. With the acknowledgement that the Board of Directors of the Academy is a separately incorporated entity, the Board of Trustees remains the final authority with regard to all aspects of the University's operations, including its academic program and fiscal concerns. The University's close relationship with the Academy of Freedom program is expressed through the University's right to approve nominees for the membership on the Academy of Freedom Board of Directors, as prescribed in the Academy of Freedom Bylaws (Article II, Section 2.01).

Adopted 3/22/2011

Advancement / External Relations

Alumni Association

The Alumni Association of Howard Payne University and its affiliated organizations are the official alumni organizations of the university. They are organized to promote and support Howard Payne University and build relationships among alumni, former students and friends of the university.

The Alumni Association is governed by a Board of Directors that serves in an advisory role to the Board of Trustees of Howard Payne University. The Alumni Association, its Board of Directors and affiliated organizations are under the governance of the Board of Trustees. The Alumni Association, its Board of Directors and affiliated organizations, shall operate according to policies established by the Board of Trustees. The bylaws of the Alumni Association, and any amendments thereto, shall be approved by the Board of Trustees.

The Alumni Association Board of Directors shall work in partnership with the university's alumni relations personnel to foster a successful alumni program. Personnel in the Office of Alumni Relations report to the university administrator who oversees the Office of University Advancement.

All fundraising activities of the Alumni Association and its affiliated organizations must be approved by the Office of University Advancement in consultation with the university president. All funds donated to the university and designated for the Alumni Association or an affiliated organization shall be held in an appropriate account of Howard Payne University at a location designated by the university. A staff member of the Office of University Advancement, the Office of Alumni Relations or a university-designated representative must be present at fundraising activities of the Alumni Association and its affiliated organizations.

In order to support the university's tax-exempt status, appropriately recognize donors of the university, and facilitate proper accounting procedures, the Alumni Association and its affiliated organizations must abide by policies established by the Board of Trustees. Funds of the Alumni Association and its affiliated organizations, including monetary and in-kind donations, shall be processed through Howard Payne University. The Alumni Association and its affiliated organizations shall hold monies in an account of the university, rather than at a separate non-Howard Payne University account. The Alumni Association and its affiliated

organizations are responsible for requesting reimbursements, bill payment, and other financial services through the Office of Alumni Relations.

In order to facilitate communication efforts and compliance with university fundraising policy, the Alumni Association and its affiliated organizations may be provided post office boxes on the Howard Payne University campus. Neither the Alumni Association nor its affiliated organizations may secure post offices boxes off campus.

The Alumni Association and its affiliated organizations may use the name or representation of Howard Payne University, HPU or the university's logos, artwork, letterhead, etc. only after approval of such use by the Office of Alumni Relations.

Scholarship accounts in the name of the Alumni Association or an affiliated organization may be established according to university policy adopted by the Board of Trustees. All donations to such scholarships are considered donations to the university, and therefore, must be appropriately deposited, reported and acknowledged. Scholarships will be distributed in accordance with policies established by the Board of Trustees.

Adopted 12/13/2005

Alumni Association – Affiliated Organizations

For the purposes of supporting and promoting Howard Payne University and building relationships among alumni, former students and friends of the university, the Alumni Association may establish affiliated organizations called chapters. There shall be three types of chapters at Howard Payne University: academic, geographic, and mutual interest.

Any dues-paying member of the Alumni Association is eligible to be a member of a chapter.

Chapters shall be governed by the bylaws of the Alumni Association and by university policy as established by the Board of Trustees. University policy established by the Board of Trustees supersedes any policy, procedure and bylaws of the Alumni Association.

The Alumni Association may provide financial assistance to chapters in a manner designated by the Alumni Association Board of Directors.

A university staff member will be designated to work with each chapter.

On an annual basis, the Alumni Association Board of Directors will invite a representative of each chapter to attend a board meeting. While officers of chapters may also be elected as directors of the Alumni Association, they will not be considered as members or ex-officio members of the Alumni Association Board of Directors by virtue of the position they hold in a chapter.

Each chapter shall elect leadership annually including at least a president, vice president and secretary. These officers may serve a maximum of two consecutive one-year terms.

To be recognized as a chapter, each group must submit the following materials to the Office of Alumni Relations:

- list of 25 alumni, former students and friends of the university who state they have an interest in forming the chapter,
- bylaws based upon standardized language adopted and made available by the Alumni Association,
- list of proposed officers (president, vice president, and secretary), and a
- brief description of goals and activities for upcoming year.

Chapter applications must be submitted by December 31 in order for chapter status to be considered by the Alumni Association Board of Directors for the forthcoming calendar year.

Chapter status will be considered by the Alumni Association Board of Directors at the first board meeting of the calendar year. Chapter applicants will be notified of their standing shortly after the first Alumni Association board meeting of the year.

Chapters must reapply for chapter status on an annual basis. Chapters should submit the following renewal information to the Office of Alumni Relations:

- list of elected officers (president, vice president, and secretary),
- brief description of activities/achievements for previous year,
- brief description of goals and activities for upcoming year, and
- any proposed bylaw amendments.

Chapter renewal applications must be submitted by December 31 in order for chapter status to be considered by the Alumni Association Board of Directors for the forthcoming calendar year.

Chapter renewal status will be considered by the Alumni Association Board of Directors at the first board meeting of the calendar year. Renewal applicants will be notified of their standing shortly after the first Alumni Association board meeting of the year.

Chapters may not hold events during Alumni Association Board of Directors meetings or university-wide Homecoming events.

The Howard Payne University Office of Alumni Relations/Office of University Advancement shall provide the following to chapters:

- Assistance in communication efforts for chapter events such as affixing mailing labels to promotional material. Due to the Office of University Advancement's confidentiality policy, mailing lists will not be distributed.
- A web site linked from the university's main alumni web page. The alumni relations personnel may assist with online publicity efforts as time and human resources permit.
- Opportunity for publicity in university publications.
- Volunteer training assistance to strengthen the effectiveness of chapters.
- Other assistance as authorized by the Office of University Advancement.

Publicity materials shall be provided by the chapter to the Office of Alumni Relations. A four-week advance notice is necessary for all mailings and publicity efforts.

Adopted 12/13/2005

Authorization/Approval of University Fundraising

Fundraising initiatives over \$100,000 should be submitted for approval to the Board of Trustees after review by the Advancement/External Relations Committee in consultation with the President of the university.

Adopted 9/14/2004

Code of Ethics

Howard Payne University adheres to the following “A Donor Bill of Rights” as developed by the Council for Advancement and Support of Education (CASE), the American Association of Fund Raising Counsel (AAFRC), the Association for Healthcare Philanthropy (AHP) and the Association of Fundraising Professionals (AFP).

Additionally, the university supports the “AFP Code of Ethical Principles and Standards of Professional Practice” stated below as guidelines for development activities at Howard Payne University.

A Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization’s mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization’s governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization’s most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Developed by: American Association of Fund Raising Counsel (AAFRC)
Association for Healthcare Philanthropy (AHP)
Council for Advancement and Support of Education (CASE)
Association of Fundraising Professionals (AFP)

AFP Code of Ethical Principles and Standards of Professional Practice

STATEMENT OF ETHICAL PRINCIPLES

Adopted November 1991

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical standards in the fundraising profession and to preserve and enhance philanthropy and volunteerism. Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy; are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding principle of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled. To these ends, AFP members embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP members aspire to:

1. practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust;
2. act according to the highest standards and visions of their organization, profession and conscience;
3. put philanthropic mission above personal gain;
4. inspire others through their own sense of dedication and high purpose;
5. improve their professional knowledge and skills, so that their performance will better serve others;

6. demonstrate concern for the interests and well being of individuals affected by their actions;
7. value the privacy, freedom of choice and interests of all those affected by their actions;
8. foster ethnic diversity and Christian values, and treat all people with dignity and respect;*
9. affirm, through personal giving, a commitment to philanthropy and its role in society;
10. adhere to the spirit as well as the letter of all applicable laws and regulations;
11. advocate within their organizations, adherence to all applicable laws and regulations;
12. avoid even the appearance of any criminal offense or professional misconduct;
13. bring credit to the fundraising profession by their public demeanor;
14. encourage colleagues to embrace and practice these ethical principles and standards of professional practice; and
15. be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy.

*changed #8 from the words “cultural” to “ethnic” and “pluralistic” to “Christian”

STANDARDS OF PROFESSIONAL PRACTICE

Adopted and incorporated into the AFP Code of Ethical Principles

November 1992

Furthermore, while striving to act according to the above values, AFP members agree to abide by the AFP Standards of Professional Practice, which are adopted and incorporated into the AFP Code of Ethical Principles. Violation of the Standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

Professional Obligations

1. Members shall not engage in activities that harm the member’s organization, clients, or profession.

2. Members shall not engage in activities that conflict with their fiduciary, ethical, and legal obligations to their organizations and their clients.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. Members shall not exploit any relationship with a donor, prospect, volunteer or employee for the benefit of the member or the member's organization.
5. Members shall comply with all applicable local, state, provincial, federal, civil and criminal laws.
6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications.

Solicitation and Use of Philanthropic Funds

7. Members shall take care to ensure that all solicitation materials are accurate and correctly reflect the organization's mission and use of solicited funds.
8. Members shall take care to ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
9. Members shall take care to ensure that contributions are used in accordance with donors' intentions.
10. Members shall take care to ensure proper stewardship of philanthropic contributions, including timely reports on the use and management of such funds.
11. Members shall obtain explicit consent by the donor before altering the condition of contributions.

Presentation of Information

12. Members shall not disclose privileged or confidential information to unauthorized parties.
13. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization is the property of that organization and shall not be transferred or utilized except on behalf of that organization.
14. Members shall give donors the opportunity to have their names removed from lists that are sold to, rented to, or exchanged with other organizations.
15. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the

American Institute of Certified Public Accountants (AICPA)* for the type of organization involved. (* In countries outside of the United States, comparable authority should be utilized.)

Compensation

16. Members shall not accept compensation that is based on a percentage of charitable contributions; nor shall they accept finder's fees.
17. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations, and are not based on a percentage of charitable contributions.
18. Members shall not pay finder's fees, or commissions or percentage compensation based on charitable contributions, and shall take care to discourage their organizations from making such payments.

Amended October 1999

Amended October 2004

Adopted 3/8/2005

Gift Acceptance – Responsibilities and Authority to Receive Gifts

The President of Howard Payne University has the responsibility for overseeing and coordinating fundraising activities for the University including establishing procedures and standards for the solicitation of gifts. The President has responsibility for ensuring that gifts are properly accepted (or declined), processed, acknowledged and used according to the gifts' terms and restrictions.

Adopted 11/18/2003

Gift Acceptance – General

Gifts of a nature that would be inconsistent with traditional Baptist beliefs and practices are to be graciously declined.

Gifts will not be accepted when there is no charitable intent on the part of the donor.

No irrevocable gift, whether outright or life-income in character, will be accepted if the University has reason to believe under any set of circumstances the gift would jeopardize the donor's financial security. Howard Payne University will assume that donors rely on their own personal advisors for tax, legal, financial and other advice concerning their gifts.

Any gift of real estate with an estimated value in excess of \$50,000 must be reviewed and approved by the Board of Trustees after review by the Advancement/External Relations Committee and the Financial/Support Services Committee. (See also Financial/Support Services: Real Estate)

A letter of understanding from the donor of a property gift, along with proof of outside advice from counsel, may be required before such a gift will be accepted.

All gifts of real property must comply with applicable Howard Payne University Guidelines for Gifts of Real Estate that follow in this section.

Gifts of real estate and notes secured by the real estate are ordinarily acceptable only after it has been determined that no reasonable possibility exists that the property could be contaminated by hazardous waste. An appropriate Howard Payne University staff member or authorized representative shall make an initial personal inspection. This inspection shall include both a physical inspection and an investigation of the recent ownership history of the property. If it is determined that there is a likelihood that the property is substantially contaminated by toxic waste, the gift of the property may be graciously declined. The expense of the inspection by a licensed toxic-waste inspector, if necessary, must be borne by the donor unless the President of Howard Payne University approves an exception.

Howard Payne University will not assume indebtedness in connection with a gift unless approved by the Board of Trustees.

Gifts will not be accepted where Howard Payne University would be exposed to material or personal liabilities as owner of the property.

Howard Payne University will not accept gifts, grants or other funding directly from agencies of local, state or federal governments.

Contributions should support and enhance the mission and purpose of Howard Payne University. Contributions that subject Howard Payne University to burdensome or unusual restrictions will not be accepted.

Gifts may not be accepted under circumstances where, in the opinion of its tax advisors, Howard Payne University would become subject to the tax on unrelated business income or unrelated debt-financed income.

Donors of property gifts of more than \$5,000 (except for gifts of publicly-traded stocks or bonds) must obtain an appraisal, at their expense, by an independent third-party appraiser in accordance with current tax law requirements.

All gifts of life insurance must comply with applicable Howard Payne University Guidelines for Gifts of Insurance that follow in this section.

No member of the faculty or staff or student body of Howard Payne University may solicit gifts and grants on behalf of the institution without the prior knowledge and approval of the President or the President's designees.

Adopted 11/18/2003

Revised 9/14/2004

Gift Acceptance – Undesignated Gifts

All gifts and bequests shall be considered unrestricted, unless otherwise specifically restricted by the donor. The President may determine the use of an unrestricted gift or bequest in the amount of \$50,000 or under. The Board of Trustees shall designate the use of an unrestricted gift or bequest in an amount greater than \$50,000 after the review and recommendation of the Advancement/External Relations Committee. The Advancement/External Relations Committee and the President shall consult with those involved in securing the gift to clarify the intent of the donor as to how said funds should be used. The President of Howard Payne University shall make recommendations to the Advancement/External Relations Committee of the Board of Trustees on the designation of undesignated gifts exceeding \$50,000.

A donor's historical giving should be considered as a guideline in applying undesignated bequests.

Adopted 11/18/2003
Revised 9/14/2004

Gifts to the Library

Donors contribute significantly to strengthening the collections and fulfilling the mission of the Howard Payne University Library through their gifts of books, manuscripts, archival materials, and through financial donations. Gifts-in-kind form an indispensable resource for the teaching and research activities of the University. Gifts of Library materials are subject to acceptance by library personnel. When Howard Payne University Library accepts a gift, the gift becomes the property of the University. Furthermore, the University reserves the right to determine whether the gift will be retained, where it will be located, and how it will be cataloged and circulated. Forms for transferring gifts-in-kind may be secured in the University Library or University Advancement Office.

Adopted 7/28/2009

Guidelines for Gifts of Life Insurance – Existing Insurance Policies

(See Gift Acceptance – General)

Transfer of an existing policy should be absolute, with full ownership vested in Howard Payne University.

Howard Payne University reserves the right to surrender the policy if it so desires.

The policy should have a net cash value with no outstanding loans.

Howard Payne University should be provided with a summary of the policy, including the donor's cost basis and current cash surrender value.

When applicable, the donor should agree to contribute, on an annual basis, the amount necessary to maintain the policy in force.

*Adopted 11/18/2003
Revised 9/14/2004*

Guidelines for Gifts of Life Insurance – New Insurance Policies

(See Gift Acceptance – General)

All gifts of new insurance must be with an insurance company rated A or better with the A.M. Best Company.

Howard Payne University requests that all proposals for gifts of insurance be submitted to Howard Payne University prior to making application for the policy.

Howard Payne University will not accept as a gift any life insurance policy which requires any future premium payments unless:

- a. all future and/or pending premium payments are paid by the donor; or
- b. the donated policy has accumulated a guaranteed cash value and/or dividends sufficient to cover either current or future obligations.

The intent of this policy is that Howard Payne University shall not, under any circumstances, be responsible for funding any life insurance policy premiums.

Annual donors to Howard Payne University will be requested to continue their annual support in either cash or marketable property in addition to a gift of life insurance.

Howard Payne University should be provided with a letter of understanding concerning any policy for which premiums are calculated based on variable interest and mortality assumptions.

*Adopted 11/18/2003
Revised 9/14/2004*

Guidelines for Gifts of Real Estate

(See Gift Acceptance – General)

Gifts of real estate and notes secured by real estate are acceptable only:

- a. after personal inspection by an appropriate Howard Payne University staff member;
- b. after a determination that the property has not been utilized in a manner that is inconsistent with traditional Baptist beliefs and practices;
- c. after Howard Payne University and the donor have reached an understanding as to the valuation of the property;
- d. when debt, insurance, homeowners' association fees and other carrying costs have been assessed as to the effect on the advisability of taking the gift; and
- e. when appropriate steps have been taken to determine if any other liabilities might attach to the property.

The property must be transferred to the University with no legally binding obligation in existence for a prearranged sale.

Gifts of real estate and notes secured by the real estate are ordinarily acceptable only after it has been determined that no reasonable possibility exists that the property could be contaminated by hazardous waste. An initial personal inspection shall be made by an appropriate Howard Payne University staff member. This inspection shall include both a physical inspection and an investigation of the recent ownership history of the property. If, after appropriate inspection, it is determined that there is a substantial likelihood that the property is contaminated by toxic waste, the property may not be accepted. The expense of the inspection by a licensed toxic waste inspector must be borne by the donor unless the President of Howard Payne University approves an exception.

*Adopted 11/18/2003
Revised 9/14/2004*

Financial / Support Services

Annual Audit

At the close of each fiscal year, the financial statements, books and records of the University shall be audited by an independent Certified Public Accountant (CPA) in accordance with the applicable standards issued by the American Institute of Certified Public Accounts (AICPA).

Selection of the University's auditor shall be recommended by the Financial/Support Services Committee and approved by the Board of Trustees. The audit shall be presented to and accepted by the Fiscal Control Subcommittee, Financial/Support Services Committee and the Board of Trustees.

Adopted 11/18/2003

Borrowing of Restricted Funds

The University discourages the practice of temporarily borrowing funds deposited into a restricted account for purposes of meeting operational obligations. However, during periods of critical cash flow needs, the University may temporarily transfer funds from restricted accounts for a period of time not to exceed 180 days. In no event, however, shall endowment (permanent donor-restricted) funds be used even temporarily for any purpose other than that specified in the trust or donor restriction.

Adopted 11/18/2003

Code of Employee Ethics and Conduct Policy

Howard Payne University is strongly committed to maintaining the highest level of standards and Christian values in conducting all aspects of its academic programs and business operations, while providing a quality education for its students. As such, the university values the contributions of all employees and expects each to adhere to the highest level of integrity by not participating in dishonest, unethical or illegal activities while conducting university business or representing the university either on-campus or off-campus. This policy applies to all university employees, including all full-time or part-time faculty, support and administrative staff, officers and adjunct faculty members.

While employees will no doubt routinely face ethical dilemmas and decisions in the scope of their employment, each employee is personally responsible for his or her actions. The attached page lists several areas of unethical conduct that should be strictly avoided. While this is not an all-inclusive list, the university has a no-tolerance philosophy for dishonest, unethical or illegal acts and will enforce this policy. It is mandatory that all employees assume responsibility to familiarize themselves completely with this policy and be able to recognize a proposal or personal act that would constitute a violation. Employees are encouraged to seek guidance in making ethical decisions and choices and are free to direct questions regarding interpretation of this policy to an officer of the university. Violations can result in disciplinary action, including termination of employment and criminal prosecution.

In an effort to deter and prevent dishonest, unethical or illegal activities, the university encourages employees to immediately report any suspected activity to any one of the following offices: President, Vice Presidents or Human Resources.

Examples of acts that violate this policy include, but are not limited to:

- 1) Consuming, storing, possessing or being under the influence of alcoholic beverages or illicit drugs on campus
- 2) Storing, possessing or using firearms or weapons on campus
- 3) Conducting or participating in any illegal activities, including gambling or betting
- 4) Utilizing university computers for obtaining or sharing pornographic or inappropriate materials or conducting inappropriate activities

- 5) Violating the university's Computer Use Policy or misusing the campus email system or other computer resources
- 6) Removing and/or not returning university assets, supplies, property or resources from the campus premises without express administrative permission
- 7) Selling or disposing of university assets, supplies, property or resources without following university policy
- 8) Consuming university supplies, services or resources for personal usage or non-university activities
- 9) Charging personal long-distance calls to the university without reimbursing the university monthly when phone bills are delivered
- 10) Misusing the campus post office by regularly processing personal incoming and outgoing mail
- 11) Charging personal items to a university credit card or vendor account
- 12) Receiving personal gain by charging university purchases to a personal credit card to earn vendor award points, rebates or discounts
- 13) Failing to remit revenues, fees, reimbursements, gifts, contributions or funds belonging to the university or student organizations in the employee's possession to the Business Office for timely deposit
- 14) Failing to safely secure revenues, fees, gifts, contributions or funds belonging to the university or student organization that are temporarily in the employee's custody
- 15) Soliciting funds or contributions on behalf of the university without obtaining prior approval from the university's Advancement Office
- 16) Accepting bribes, kickbacks or gratuities
- 17) Falsifying an employee timesheet or other payroll documents
- 18) Misusing the university's paid leave benefits
- 19) Failing to be productive during the workday
- 20) Failing to report suspicious or illegal activity to his/her supervisor or HPU Security
- 21) Falsifying university records, documents, purchases or expense reports
- 22) Knowingly submitting inaccurate invoices for payment
- 23) Purchasing goods or services or committing funds from the university's budget without prior written approval

- 24) Failing to follow university policies and procedures
- 25) Violating board adopted policies
- 26) Engaging in destructive or disruptive behavior that intentionally undermines achievement of university goals and objectives
- 27) Releasing, sharing or selling confidential or proprietary information
- 28) Displaying inappropriate, unprofessional behavior
- 29) Violating the university's Conflict of Interest Policy
- 30) Purchasing items from or for related parties, including family and friends, with university funds
- 31) Utilizing the campus computer systems or network for personal gain or business endeavors unrelated to the university
- 32) Soliciting political contributions on campus or publicly endorsing a candidate during working hours or in a manner that makes it appear the endorsement is on behalf of the university
- 33) Reporting fraudulent workers compensation claims
- 34) Hiring friends, relatives or acquaintances without regard to qualifications
- 35) Violating copyright laws, pertaining to printed materials, software and music
- 36) Trespassing or breaking into controlled areas without permission
- 37) Accessing restricted computer files without permission
- 38) Failing to properly secure university assets that are under the employee's care and control
- 39) Duplicating, trading, and/or not returning keys that access university facilities or vehicles

Adopted 9/20/05

Competitive Bids and Proposals

Competitive bids and proposals shall be solicited for the purchase of goods or services of \$25,000 and above, regardless of the expenditure's funding source. Nevertheless, for purchases of less than \$25,000, University departments are encouraged to obtain informal competitive pricing. Large, continuous service contracts may be solicited and awarded on a definitive multi-year basis for up to eight years, so as not to unnecessarily disrupt critical operations of the University. Examples of multi-year contracts may include, but are not limited to: campus dining services, bookstore management services, utilities contracts, auditing services and publication printing services.

Generally, bids and proposals meeting the University's specifications will be awarded based on price. However, the University may consider other relevant criteria in evaluating and awarding bids and proposals, when determined to be in the best interest of the University to do so. Recommendations to accept a vendor's bid or proposal shall be submitted for approval with the department's purchase requisition.

Exceptions to this policy may be made by the President in emergency situations, in cases where the goods or services are offered on a "sole source" basis, in situations stipulated by a donor, or in circumstances where it is determined to be in the best interest of the University. Exceptions shall be documented in the University's procurement files.

Adopted 11/18/2003

Conflict of Interest Policy

A conflict of interest traditionally occurs when a person derives personal profit or gain from actions taken while holding a position of trust. Placed in a position of trust, university trustees, officers, faculty members and employees owe a duty of loyalty to the institution they serve. The overriding premise of a duty of loyalty is that of fairness to the University. The standard commonly used to determine fairness is whether a proposed transaction is at least as favorable to the University as it would be should the transaction be entered into with unrelated individuals. Accordingly, a trustee, officer, faculty member or employee must avoid using their position for personal gain or advantage, or to obtain a favored status for any entity in which such person has a financial interest.

As a matter of prudent business practice, the University attempts to refrain from entering into business transactions or contracts in amounts exceeding \$10,000 in value with trustees, officers, faculty members, employees, or their spouses, or business entities in which trustees, officers, faculty members, employees, or their spouses, have an interest.

An exception may be made, by approval of the Board of Trustees, in a case wherein it appears that a commodity or service is unavailable on a more favorable basis from another source, or, it is determined to be in the best interest of the University to enter into the transaction. In these cases, competitive pricing should be secured, if practicable. When considering an exception, the extent of the trustee, officer, employee or spousal interest shall be disclosed to the Board of Trustees and be recorded in the minutes of the meeting.

Notwithstanding the Texas statutory provisions concerning self-dealing, it is the University's policy that in no event shall a trustee, officer, faculty member, employee, or spouse of such, who has a conflict of interest be present at or participate in the discussion of or vote of the Board or committee to authorize the transaction, except at the request of the Board or committee.

Adopted 11/18/2003

Contract Authority

The President, or the President's designee, may approve contractual commitments without approval of the Board of Trustees in an amount not to exceed \$100,000. Contracts with a total commitment of \$100,000 and above shall be reviewed by legal counsel and must be reviewed and approved by the Fiscal Control Subcommittee.

The University's President, Chief Financial Officer or Chief Academic Officer may sign approved contracts.

Adopted 11/18/2003

Construction and Renovation Projects

Construction and renovation projects of \$100,000 or greater must be approved by the Board of Trustees. Project budgets shall be established with a contingency set aside of not less than 10%. Projects shall not commence before full funding is secured, to include future operations and maintenance of the facility.

The University's facilities director shall function as the university's on-site manager to coordinate and supervise the work of contractors, recommend change orders, manage project budgets and give regular progress reports to the President and Chief Financial Officer.

Adopted 11/18/2003

Employment Policy for All Employees

See also Faculty Employment Policy - Multi-year Contract on page 6

The University shall seek to employ qualified persons for faculty and staff positions consistent with its published recruitment and selection procedures. The University shall attempt to screen applicants for suitability for employment by conducting a combination of reference and/or background checks on prospective employees. Only adults will be employed as full-time employees.

The President shall approve all offers of employment to faculty, vice presidents, and any staff employee to whom the President chooses to give a contract for a term of time. The President, and only the President, shall execute employment contracts on behalf of the University. The President shall make decisions concerning initial appointments to the faculty and staff, the renewal and nonrenewal of those appointments, and the terms and conditions of appointments, including but not limited to the length of appointments. The President shall approve any termination of employment prior to the expiration of the contract period.

No employee shall have any right regarding the renewal of a contract upon the expiration of the contract's term. The failure of the University to provide notice of nonrenewal by the times and dates specified in the University's Policies and Procedures Manual shall not give the employee a renewal right. Tenured faculty shall enjoy special rights provided in the University's Policies and Procedures Manual. Declarations by the University of the University's present intention to offer an employee future contracts is not in and of itself an offer of a contract. No statement, including but not limited to statements regarding policy or procedure, salary, benefits, or other terms and conditions of employment, contained in the University's Policies and Procedures Manual or in any handbook or other publication of the University, shall be deemed to be included in any contract except those provisions specifically cited in a contract and incorporated by reference.

Any employee who does not hold a formal, written document designated as a "contract," providing for employment for a term of time, executed as approved by the President and accepted by the employee, shall serve as an employee at-will. Employment of an employee at-will may be terminated at any time by either the employee or the University, with or without cause. No handbook statement, policy or procedure of the University, or communication to an employee concerning salary, benefits, or other terms or conditions of employment shall vary the

at-will nature of the employment relationship. The President, or the President's designee, shall approve the employment and termination of at-will employees.

The University is committed to the principle of equal opportunity in employment. The University does not illegally discriminate against individuals on the basis of race, color, ethnic or national origin, sex, disability, or age in its employment.

The University may discriminate on the basis of religion in employment in order to fulfill its mission. To that end, the University shall seek to employ professing Christians and may give preference to members of Baptist churches. The University may discriminate in employment on the basis of sex in those positions where the employee's gender is a bona fide occupational qualification necessary to the operation of the University. The Vice President for Business Affairs is designated to handle employment inquiries regarding the University's nondiscrimination policies.

Employment of relatives is permitted, except within the same department or where a family member has direct influence over another's conditions of employment. "Relatives" shall include persons related by birth, adoption or marriage, as follows: spouse, parent, child, brother, sister, grandparent, grandchild, great-grandparent, great-grandchild, great-great grandparent, great-great grandchild, aunt, uncle, nephew, niece or first cousin. The President may exempt persons employed prior to December 1, 2003 from the application of this policy, but any exemption may be revoked by the President at any time.

Adopted 11/18/2003
Revised 4/1/2008

Endowment Distribution Policy

The University's endowment distribution policy seeks to provide a means by which the annual payout is managed and maintained at appropriate levels consistent with the overall objectives of the University. The objective of the policy is to:

- Provide a stable and predictable cash flow for supporting the University's operations and scholarship needs, and
- Balance the needs of current spending and asset growth in order to protect the principal and income of the endowment assets

Realizing that the short-term financial needs of the University and natural cycles of the national economy may influence temporary deviations from this policy, the long-term goal is to distribute approximately 6% annually of the endowment's three-year average value.

On an annual basis, the University's Board of Trustees will review and approve the endowment's distribution rate for the upcoming academic year. In setting the distribution rate, the Board will take into account the following:

- the fund's current values
- the previous three years of quarterly market values
- historical returns
- the outlook for the economy and capital markets and projected future investment returns
- the overall fiscal health and needs of the University, and
- any other relevant information for making a prudent decision

The Board will typically set the distribution rate for the upcoming academic year during the budget adoption process. However, the Board may reassess and adjust the rate at any time that it believes it is prudent to do so, based on market performance and university operational needs.

In considering an appropriate distribution, the University shall protect and preserve the principal corpus of its endowment, which shall be referred to as the University's "permanent" endowment. For purposes of determining the permanent endowment amount, the University shall use the "historic dollar value" amount (fair market value of original gift + additional gifts +

mandatory capitalizations) to be the amount permanently invested into perpetuity. The University shall not spend amounts below its permanent endowment level.

This policy shall apply only to those endowed funds for which Howard Payne University has control and authority to exercise discretion over the annual distribution rate. Funds that are held in trust by the Baptist Foundation or others, for which the University has no control, are not subject to this policy.

Adopted 4/28/2009

Expenditures of Funds

Expenditures of university funds, regardless of funding source, shall be approved, prior to funds being committed, by responsible divisional personnel and either the President, Chief Financial Officer, or their administrative designees. Expenditures shall be approved within allocated budgeted funds and in accordance with the established purchasing policies and procedures of the University. Expenditures shall be charged to the proper account classifications, according to the nature and types of expenditures being made.

The approval process shall consider the appropriateness and reasonableness of the expenditure, as well as the intended purpose of the expenditure in supporting the operations, mission and goals of the University.

Adopted 11/18/2003

Fiscal Control Subcommittee

The chairperson of the Financial/Support Services Committee shall appoint a Fiscal Control Subcommittee ("Subcommittee") consisting of the Chairperson and four other members of the Financial/Support Services Committee ("Committee") to meet between full committee meetings. The Subcommittee shall perform the following functions:

1. Act for or on behalf of the Committee between meetings.
2. Provide continuing liaison between the President's office, the Chief Financial Officer and the Committee regarding financial matters of the University.
3. Serve as an audit committee to assist in the selection of the auditor, determine the scope of the annual audit, and review the annual audit report before presentation to and acceptance by the Committee, followed by the Board of Trustees.
4. Review interim financial statements on at least a quarterly basis, and annual financial reports, including actual revenues and expenditures as compared with projections. The Chief Financial Officer shall certify the interim financial statements to the Board, representing that no non-budgeted expenditures have been made or any budget funds used for any unauthorized purpose, except as stated in the report.
5. For determining the need to implement emergency fiscal controls, if necessary, to protect the financial integrity of the University.
6. Institute emergency fiscal controls until such time as a regular or called meeting of the Committee can be held to establish temporary rules regarding the disbursements of funds.
7. Perform other interim duties of financial oversight on behalf of the Committee.
8. Provide the necessary oversight of the university administration and other Board committees to ensure all funds are used in accordance with the wishes of donors and further to ensure that no endowment funds are borrowed for any purpose.

Notices of upcoming Subcommittee meetings, as well as subsequent actions taken by the Subcommittee, shall be communicated to all members of the Committee. All actions of the Subcommittee shall be subject to the review of the Committee and the Board of Trustees. Emergency fiscal controls established by the Subcommittee must be communicated by the Chief Financial Officer and Chairperson of the Subcommittee to the Chairperson of the Board, the President of the University, and all members of the Committee not more than three business days after action is taken.

Adopted 11/18/2003

Indebtedness

University indebtedness may be approved by the President in an amount not to exceed \$50,000. University indebtedness in excess of \$50,000 shall be approved by the Financial/Support Services Committee and the Board of Trustees.

Adopted 11/18/2003

Insurance Coverages

The University shall maintain insurance coverages adequate to insure its facilities and physical assets. The University shall also maintain general liability, board liability, and employee dishonesty coverages or necessary bonding suitable for the nature of its operations. Insurance coverages shall be reviewed and approved annually by the Financial/Support Services Committee.

Adopted 11/18/2003

Investment Policy

The investment of the University's endowment and similar funds shall be made with the Baptist Foundation of Texas, in accordance with the Texas Uniform Prudent Investor Act. This investment policy shall apply unless otherwise stipulated by the donor. The University shall seek to maintain a balance over time of investment types, between equities and bonds of approximately 60/40%, with a + or - 10% deviation (i.e. 70/30% or 50/50%, respectively).

The University may invest other funds of short-term duration in FDIC-insured certificates of deposit, money market funds, and securities backed by direct obligations of the U.S. Federal government. Funds may be invested in other managed accounts upon approval of the Financial/Support Services Committee of the Board of Trustees.

The Board of Trustees shall adopt an appropriate spending rate for endowed funds, balancing the University's current revenue needs with goals of long-term growth over time.

Adopted 11/18/2003

Nondiscrimination Policy

Howard Payne University is committed to the principle of equal opportunity in education and employment. The University does not illegally discriminate against individuals on the basis of race, color, ethnic or national origin, sex, disability, or age in its employment, admissions, programs and activities. The University may discriminate on the basis of religion in employment in order to fulfill its mission.

The following offices have been designated to handle inquiries regarding the University's nondiscrimination policies with respect to student and employment matters:

Direct student inquiries to:

Vice President for Student Life

Howard Payne University
1000 Fisk Street
Mabee University Center, Room 102A
Brownwood, TX 76801
(325) 649-8613

Direct employment inquiries to:

Senior Vice President for Finance and Administration
Howard Payne University
1000 Fisk Street
Packer Administration Building, Room 208
Brownwood, TX 76801
(325) 649-8055

Adopted 11/18/2003

Operating Budget

Each spring the President, assisted by the Chief Financial Officer, shall prepare and submit for approval to the Board of Trustees a proposed unrestricted operating budget for the upcoming fiscal year, June 1 through May 31. The budget shall reflect all anticipated unrestricted revenues and cash expenditures by detailed account within each department. The budget must be preceded by sound educational planning. As such, the instructional budget should be substantively developed by academic officers or deans, working cooperatively with department heads, appropriate members of the faculty and administration, and the Chief Financial Officer. Budgets for non-academic areas should be developed after consultation with appropriate administrative personnel and officers of the university. Procedures for budget planning should be evaluated regularly. The operating budget shall be prepared in a format consistent with accounting standards issued by the American Institute of Certified Public Accountants (AICPA) and the National Association of College and University Business Officers (NACUBO).

Once approved by the Board of Trustees, the President, assisted by the Chief Financial Officer, shall have the responsibility of administering the operating budget for the fiscal year. The University shall maintain internal systems of budget controls which will include, but are not limited to: approving expenditures, issuing purchase orders, encumbering funds, and enforcing internal accountability. The Chief Financial Officer shall prepare and submit budget reports to the Fiscal Control Subcommittee of the Financial/Support Services Committee on at least a quarterly basis. The Chief Financial Officer shall be responsible for alerting the President, the Fiscal Control Subcommittee, and the appropriate university personnel to instances where budgeted amounts or projected revenues may be insufficient to cover anticipated expenditures.

In administering the budget, the President shall have authority to transfer funds between accounts as may be needed to cover anticipated expenditures. Transfers of funds exceeding \$100,000 from one broad functional category to another shall be implemented by an amendment to the budget, subject to approval by the Financial/Support Services Committee of the Board of Trustees.

The University shall seek to achieve an operating budget surplus each year. It shall be a continuing goal to sustain an unrestricted contingency reserve fund in an amount equal to 1/12 of the annual operating budget. The Board of Trustees will determine the appropriate designation or usage of amounts from the contingency reserve fund.

Adopted 11/18/2003

Physical Assets Control

The University expects its employees to be responsible stewards and accountable for physical assets entrusted to them in the conduct of their duties. Employees will be held responsible for the whereabouts, security and safekeeping of all physical assets in their custody.

All physical assets purchased by the University, regardless of funding source, as well as assets received by way of donation, are the property of the University and are to be documented and inventoried by the Chief Financial Officer.

Personal use of university assets is prohibited. University assets may not be taken off-campus, except for equipment designed for portable usage, such as cell phones, automobiles, laptop computers, etc. or unless the equipment is approved for usage at an official community- or university-sponsored event. Exceptions to the personal use or off-campus policy may be made by the President or the Chief Financial Officer.

University departments and their employees are not authorized to sell or dispose of university assets. Assets determined to no longer be functional, usable or repairable shall be reported to the University's Chief Financial Officer. The Chief Financial Officer shall be responsible for coordinating the proper sale or disposal of university assets. Sales proceeds in excess of \$25,000 received from sales of university assets shall not be expended without approval of the Board of Trustees. Sales proceeds of \$25,000 and below received from sales of university assets may be expended upon approval of the President.

Adopted 11/18/2003

Real Estate

Any purchase or sale of real estate shall be approved by the Financial/Support Services Committee and approved by the Board of Trustees. (For gifts of real estate, see also Advancement/External Relations: Gift Acceptance – General on page 28 and Guidelines for Gifts of Real Estate)

Adopted 11/18/2003

Retirement Plan

The University maintains a qualified employee retirement plan for eligible employees through the Annuity Board of the Southern Baptist Convention. As such, the plan is administered in accordance with the provisions of Section 403(b) of the U.S. Internal Revenue Code, as amended. The Board of Trustees may amend the matching percentage of employer contributions from time-to-time, as available resources permit or require.

Adopted 11/18/2003

Trustee Access to Financial Information

Members of the Board of Trustees may obtain access to financial information of the University by making requests to the Chief Financial Officer through either the President, Chairperson of the Financial/Support Services Committee or Chairperson of the Board of Trustees.

Financial statements shall be provided by the Chief Financial Officer to the Board of Trustees at least five days prior to a board meeting.

Adopted 11/18/2003

Unrestricted Gifts and Bequests

All gifts and bequests shall be considered unrestricted, unless otherwise specifically restricted by the donor. The President may determine the use of an unrestricted gift or bequest in an amount of \$50,000 or under. The Board of Trustees shall designate the use of an unrestricted gift or bequest in an amount greater than \$50,000.

Adopted 11/18/2003

Student Life / Christian Environment

Chapel/ Student Assembly

Chapel and Student Assembly is an important part of student life at Howard Payne University and is a required element for graduation. Six semesters of Chapel/Student Assembly are required to be able to graduate from Howard Payne University. The mission of Chapel is to promote a vibrant relationship with Jesus Christ in a praise and worship format. The mission of Student Assembly is to promote cultural awareness, academic life, student activities and world events in a student-friendly setting that integrates faith and life.

Adopted 11/18/2003

Disabled Student Services

The University encourages any student who has a disability to voluntarily inform the University of any special requirements or needs by reporting these to the Office of Student Life. Upon proper substantiation of a disability, the university will strive to accommodate these needs in accordance with applicable federal guidelines and Christian ethical considerations.

University programs and activities are conducted in such a manner that no otherwise qualified disabled individual shall, solely by reason of a disability, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any such program or activity. Notifications and inquiries regarding disabled student services should be directed to the Office of Student Life. All information provided to this coordinator is strictly voluntary.

Adopted 11/18/2003

Drugs and Alcohol

The University expects its students to obey the law. Therefore, a violation of alcohol or drug laws while admitted or enrolled to the University, wherever that violation occurs, is a violation of University policy.

Further, it is a violation of University policy for a student to drink, possess, or be impaired by drinking, alcoholic beverages, or to possess, use, or be under the influence of, illegal drugs, on campus or at any event sponsored by the University or by a University-approved student organization. Without limiting the foregoing, this prohibition specifically includes any University sponsored trip.

The University encourages students to notify their parents or guardians if the student is found to have acted in violation of this policy. If the University, through its disciplinary procedures, determines that a student has violated this policy, the University may disclose the violation to a student's parent or legal guardian if the student is under 21 years of age at the time of the notification.

Violation of this policy may result in any sanction deemed appropriate by the University, including, but not limited to, required participation in a drug or alcohol treatment or rehabilitation program, suspension or expulsion. The University may refer any violation of the law to law enforcement authorities.

Adopted 11/18/2003

General Student Conduct

Howard Payne University is a Christian institution; therefore, all students are expected to conduct themselves in accordance with Christian value systems both on and off the campus. All students are expected to be responsible for their actions and to respect the rights of others. If a student persistently acts in a manner which reflects negatively upon the purposes and values of the institution, disciplinary procedures will be utilized in accordance with the gravity of the misconduct, which could include expulsion. The Dean of Students is charged with the responsibility of enforcing all regulations related to student conduct.

Misconduct is a serious matter of concern, and Howard Payne University attempts to provide fair and reasonable treatment in all disciplinary matters. However, in all cases of violation of University rules and regulations, or of actions in violation of local, state, or federal laws that affect the University, Howard Payne University reserves the right to proceed with its own disciplinary action independently of any criminal or civil charges which may have resulted. Conduct considered injurious or threatening to the student or others may result in automatic suspension pending a disciplinary hearing.

Adopted 11/18/2003

Record Retention

Howard Payne University shall abide by the provisions of the Family Educational Rights and Privacy Act (FERPA) of 1974. FERPA requires that each institution establish a written policy and statement of adopted procedures covering privacy rights of students. Except for disclosures of institutionally defined “directory information,” FERPA requires institutions to maintain records of requests and disclosures of information that identify persons. FERPA dictates prudence in the retention of records whenever the availability, accuracy, or content has been contested.

The Howard Payne University Records Retention Policy shall be developed to guide the storage, preservation, retention and disposal of student records. The Records Retention and Disposal Schedule shall be based on current standards of record retention and disposal as established by law, statute or adopted by professional organizations for the particular type of record under consideration. This schedule shall be subject to modification as other records are identified that should be included and legislative impact on record retention and record keeping practices occur.

Federal agencies which administer laws and regulations that impact directly upon the retention of student records include the United States Department of Education, the Veterans Administration, the United States Public Health Service, the Internal Revenue Service, the Family Policy Compliance Office (FERPA), and the Department of State.

Adopted 11/18/2003

Right of Student Privacy in Campus Housing

Howard Payne University respects the student's right to privacy and to protection against unwarranted and/or unreasonable search. The policy regarding room entry, inspection, and/or search and seizure is that university officials will enter the room of a student only with the consent of the student except:

1. in an emergency situation;
2. when there are reasonable grounds to believe the room contains evidence of the commission of a criminal offense or a violation of university rules or policies;
3. for maintenance purposes;
4. when a valid search warrant has been presented by the proper authority; or
5. when entry occurs for reasons of health and safety.

Adopted 11/18/2003

Student Handbook

Howard Payne University shall publish a Student Handbook as a part of a series of publications developed by the university to help students become successful members of the HPU community, which emphasizes intellectual, social, physical, cultural and spiritual growth.

Students, by virtue of enrollment at Howard Payne University, agree that they are responsible for complying with HPU behavioral standards, academic regulations and campus policies as stated in these publications.

In addition, the university reserves the right to modify the requirements for admission and graduation and to change any other rules, regulations, and provisions, including those stated in this handbook and other publications, without prior notice. The university may determine when and how all changes become effective.

Adopted 11/18/2003

Long Range Planning / University-Wide Concerns

Evaluation of President's Job Performance

The Board of Trustees shall conduct an annual job performance evaluation of the President. During the month of February, each member of the Board shall be given the opportunity to evaluate the President's job performance for the preceding year by completing a survey instrument. In addition, a similar evaluation survey instrument shall be completed by the President in which he evaluates his/her job performance for the preceding year. The results of both instruments shall be reviewed by the Long-Range Planning/University-Wide Concerns Committee and shared with the President.

Decisions relative to the President's job performance and compensation shall be made during the March meeting of the Board of Trustees. In advance of the March meeting, the Board Officers shall develop a recommendation relative to the President's job performance and compensation and present this recommendation to the Board for consideration.

Adopted 11/18/2003