



ST. THOMAS UNIVERSITY
Global American Learning

Regulation for Administration,
Finance and Accounting



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TITLE I - GENERAL PRINCIPLES

Art. 1. PURPOSE

1. St. Thomas University (STU), operating under the authority delegated by the State of North Carolina, hereby establishes these Regulations for Administration, Finance, and Accounting.
2. The Regulations oversee STU's budgets, financial and administrative activities, contracts, asset management, and internal controls for efficient administrative accounting.

TITLE II - BUDGET AND MANAGEMENT

Art. 1. ANNUAL BUDGET

1. The financial year spans twelve months, starting on January 1 and concluding on December 31.
2. STU's financial management follows an annual accrual and cash-based budget, approved by the Board of Trustees by December 15 of the preceding year.
3. The budgets for the College or School, as well as any additional Expenditure Centers, constitute essential components of the overall budget and are therefore included as attachments.
4. All revenues and expenses must be entered in the budget in their total amount without any reduction due to related costs or revenues.
5. Management of funds beyond the established budget is not permitted.

Art. 2. STRUCTURE OF THE BUDGET

1. **Basis of Accounting**

The University budget is prepared using both the accrual and cash basis of accounting. It includes an estimate of projected revenues, anticipated expenditures, and a general summary table that provides an overview of the financial plan for the fiscal year.

2. **Budget Structure**

The budget is organized into major titles for revenues and expenditures. Each title is further broken down into categories based on the economic nature of the transactions (e.g., personnel, operating expenses, capital outlay). Within each category, specific line items are grouped into chapters, which represent the smallest and most detailed units of the budget. Each chapter is intended to capture a single, clearly defined and homogeneous purpose or activity.

3. **Revenue and Expenditure Details**

For each chapter, the budget will reflect:

The estimated residual balances (assets and liabilities) from the prior fiscal year.

- The anticipated revenue to be collected during the fiscal year.
- The estimated expenditures to be committed during the fiscal year.
- The actual cash receipts and disbursements expected within the fiscal year.

The budget does not distinguish between accrual and carryover (residual) operations in this presentation. Any surplus or deficit carried forward from the final accounts of the previous fiscal year will be included under the accrual-based portion of the budget.

4. **Preparation and Approval Process**

The Chief Financial Officer is responsible for preparing the draft budget. The completed budget, along with a detailed explanatory report, is presented to the Board of Trustees by the Chairman no later than **November 30 each year**. This submission must include a report from the Statutory Auditor reviewing the budget's compliance and financial assumptions.

5. **Unit-Level and Special Budgets**

Budgets from individual Expenditure Centers and any autonomous operational units, once approved by their respective governing bodies, are incorporated as annexes to the University's overall budget document.

6. **Preparation of College and Departmental Budgets**

Each academic college, school, and administrative department is responsible for developing an annual operating budget aligned with the University's strategic goals, financial policies, and overall budget framework. The following guidelines govern the preparation of these unit-level budgets:



- **Budget Planning Timeline**
College and departmental budget preparation shall commence at the start of the third quarter of the fiscal year. Final budgets must be submitted to the Office of the Chief Financial Officer (CFO) no later than **March 31** to allow for consolidation into the University's overall budget by **April 30**.
- **Budget Preparation Responsibility**
The Dean or department head is ultimately responsible for the preparation and oversight of their unit's budget. Budget development should be delegated to an assigned budget manager or administrator who is knowledgeable about the unit's operations and financial needs.
- **Components of the Departmental Budget**
Each college or department budget shall include:
 - a. Revenue Projections: Including tuition and fee allocations, grants, contracts, donations, and any departmental sales or service income.
 - b. Expenditure Estimates: Categorized by:
 - i. Personnel (salaries, wages, and fringe benefits)
 - ii. Operating expenses (supplies, travel, professional services)
 - iii. Capital expenditures (equipment, renovations)
 - iv. Transfers and cost allocations
 - c. Justification Narratives:
 - i. A brief description of the strategic objectives, anticipated changes, and key assumptions supporting budget estimates.
- **Budget Assumptions and Guidelines**
The University's Budget Office will issue annual budget preparation guidelines that include key assumptions such as projected enrollment, inflation rates, salary increase policies, and fringe benefit rates. Colleges and departments must adhere to these institutional guidelines to ensure consistency and fiscal discipline.
- **Use of Historical Data**
Budget projections should be based on a combination of historical actuals (past two fiscal years), current year-to-date data, and anticipated changes in operations or programming.
- **Resource Reallocation**
Units are encouraged to review their existing programs and expenditures for potential cost savings or reallocation of resources to support new initiatives and strategic priorities. Any significant reallocations or new funding requests must be clearly documented and justified.
- **Review and Approval Process**
Once developed, college and departmental budgets must undergo an internal review by the respective Dean or Vice President. Following internal approval, budgets shall be submitted to the CFO and Budget Office for institutional review, consolidation, and final approval by the Board of Trustees.
- **Monitoring and Accountability**
After the budget is adopted, each college and department is responsible for monitoring expenditures and revenues throughout the fiscal year. Budget performance will be reviewed quarterly, and any significant variances must be explained and, if necessary, corrected in coordination with the Budget Office.

Art. 3. CLASSIFICATION OF REVENUE AND EXPENDITURE

1. Revenues in the budget are classified into the following titles:

TITLE I	Current income
TITLE II	Capital revenue
TITLE III	Collection of receivables, withholding of financial items, and other financial items
TITLE IV	Income from borrowing

2. Expenditures are classified and divided into the following titles:

TITLE I	Current expenses
TITLE II	Capital expenditures



TITLE III	Granting of credits, deductions, and other financial items
TITLE IV	Extinguishment of loans and advances

Art. 4. ACCOUNTS PAYABLE AND SPECIAL ACCOUNTS

1. Revolving items encompass revenues and expenditures undertaken on behalf of third parties; as these transactions are recorded as both debits and credits for the STU, they do not impact the budget's financial outcomes.
2. Revolving items include:
 - a. Advances to the Bursar Accountant;
 - b. Advances from relevant budget chapters recorded as revenue from contributions by Entities and Organizations;
 - c. Any other revenue or expenditure permitted by law or regulations.

Art. 5. CONTENT OF THE BUDGET

1. The budget presents a comparison between the proposed appropriations and the grants established for the current year at the time of its preparation. All expenditures included in the budget are required to remain within the boundaries of anticipated revenues. Consequently, it is imperative that the budget remains balanced.
2. Authorized payments cannot exceed the sum of expected revenue and the initial cash balance.

Art. 6. SUMMARY FRAMEWORK

The budget, presented using both accrual and cash accounting methods, contains a summary table with titles and categories that outline revenues and expenditures.

Art. 7. RESULT OF ADMINISTRATION

In the budget, the initial item listed under both revenue and expenditure is accompanied by a statement of the estimated surplus or deficit as of December 31 of the year preceding the budget year. The use of any confirmed surplus requires obtaining the prior opinion of the statutory auditor.

Art. 8. FUND RISKS AND CHARGES

The budget should include a Risks and Charges fund for unexpected expenses, limited to 5 percent of total projected current costs, recorded in a separate chapter.

Art. 9. BUDGET VARIATIONS AND ADJUSTMENTS

1. When events during the fiscal year require adjustments to revenue and expenditure estimates, the Board of Trustees approves any resulting budget amendments.
2. Transfers may be used to allocate financial resources for expenditures across different chapters.
3. Budget variations and corresponding coverage via increased revenue or decreased expenditure are permitted.
4. Reductions in incomplete expenditure commitments can allow for new spending, provided the appropriate financial coverage exists.
5. Resolutions regarding the consolidation and modification of the budget—including reserve fund use and inter-chapter transfers—must be submitted by the Chairman to the Board of Trustees with an explanatory report, based on proposals from the Chief Financial Officer.
6. In necessary and urgent cases, the Chairman of the Board of Trustees may order variations by reasoned directive for later ratification by the Board, following the Statutory Auditor's opinion.

Art. 10. ASSESSMENT OF REVENUE

1. Revenue is recognized when the debtor is identified and the claim is certain, and recorded as an accrual for the amount due within the fiscal year.
2. Revenue assessed but uncollected by year-end is treated as residual income in asset accounts.

Art. 11. REVENUE COLLECTION

Revenue shall be collected exclusively through bank transactions. Current approved methods include:

1. ACH Transfer
2. Wire Transfer
3. Credit Card Transaction



Art. 12. SUPERVISION OF REVENUE COLLECTION

The Chief Financial Officer (CFO) is responsible for ensuring that the processes of revenue assessment, collection, and payment are conducted in a responsible and accountable manner.

Art. 13. PHASES OF EXPENDITURE AND ASSUMPTION OF COMMITMENTS

1. Expenditures are controlled via commitment, ordering, and payment steps.
2. Expenditures must be authorized by the entities designated within these Regulations. The Chief Financial Officer (CFO) is responsible for making expenditure commitments from the specified Budget chapters.
3. Commitments are restricted to the appropriations amounts stated in each chapter of the Budget.
4. Commitments refer to the current fiscal year, except those related to:

a.	Capital expenditures are spread over several years.
b.	Mortgage repayment expenses.
c.	Current expenses for which it is essential to make commitments from the following fiscal year.
d.	Rental and other continuous and recurring expenses for which the commission may extend over several fiscal years.

5. The difference between the sums appropriated in the respective expenditure chapters and the amount committed is referred to as the economy of expenditure.
6. Amounts entered in capital expenditure appropriations and those from earmarked hires not committed within the fiscal year may be retained in the Budget as appropriation residuals.
7. All designated savings are transferred to the annual accrual within the specific "savings fund for reallocation."
8. Unpaid, committed expenditures at fiscal year-end are considered residual liabilities and listed as balance sheet weaknesses.
9. All generally accepted accounting procedures must be followed and recorded in accordance with GAAP rules.

Art. 14. CLEARANCE OF EXPENDITURE

The office responsible for this function processes expenditure clearance according to internally established procedures, following verification of the commitment and confirmation of the proper delivery of goods, works, and services. This is carried out based on the appropriate documentation and records that demonstrate creditors' rights.

Art. 15. ORDERING OF EXPENDITURE

1. Payment orders, sequentially numbered and drawn on the Cashier's Institute, authorize expenditures.
2. The Chief Financial Officer (CFO) or delegate, and the President or delegate, must sign all payment warrants.
3. Collective warrants can be issued for separate payments of the same title to different creditors.
4. Warrants for current fiscal year expenses should be clearly distinguished from previous years' "residual" expenses.

Art. 16. SPECIAL WAYS OF EXTINGUISHING PAYMENT ORDERS

At the creditor's written request and at the beneficiary's expense, warrants may be discharged by either:

- a. conversion to a non-transferable bank check payable to the creditor; or
- b. crediting a bank account in the creditor's name.

Art. 17. DOCUMENTATION OF PAYMENT WARRANTS

1. Each payment order must include proof of proper work, supply, or service, such as invoices, test reports, bills of lading, or delivery notes for inventory items.
2. Documentation should be attached to the settled warrant and retained for less than ten years.

Art. 18. UNPAID PAYMENT ORDERS AT THE END OF THE FISCAL YEAR

The Cashier's Institute will return any unpaid payment warrants at the close of the fiscal year to STU for cancellation and remittance to the residual account.



Art. 19. ENTRUSTMENT OF THE SERVICE

An agreement approved by the Board of Trustees assigns cash management responsibilities to a Credit Institution, which is also responsible for safeguarding and administering public and private securities held by STU.

Art. 20. MANAGEMENT OF THE BURSARY FUND

1. At the start of each fiscal year, the Chief Financial Officer receives a Board-approved fund up to USD 10,000, which is replenished upon submission of expense documents.
2. The CFO or delegate may pay individual expenses up to USD 1,000 directly; expenses over USD 1,000 require written authorization as per internal procedures (Art. 15).
3. Payments and reimbursements are recorded in a special register pre-numbered by the President.
4. At year-end, the CFO returns the advance to the Cashier's Institute.

Art. 21. FINANCIAL AND CAPITAL RECORDS

1. The financial records are required to document, by chapter, the status of revenue receipts and expenditure commitments in relation to appropriations, as well as amounts collected, paid, outstanding, or pending delivery.
2. Asset records must indicate the value of assets at the start of the fiscal year, any changes occurring throughout the year, and the quantity of assets at the end of the fiscal year.

Art. 22. WRITINGS SYSTEM

STU maintains these records:

- a. Revenue share
- b. Share of expenses
- c. Parcel of residuals
- d. History journal for warrants issued
- e. Inventory register

Art. 23. DELIBERATION OF THE FINAL ACCOUNT

1. The final account includes the financial statement, balance sheet, and income statement.
2. The CFO prepares the final statements and Chairman's report by May 15; these are reviewed by the Legal Auditor, who submits a report.
3. The Board must approve the final account of the Trustees by May 31 after the fiscal year ends.

Art. 24. FINANCIAL REPORTING

1. The financial statements are to present the results of budget management for revenue and expenditure by titles, categories, and chapters, detailing accrual, residual, and cash bases separately.
2. Competence should be demonstrated through:
 - initial forecasts, variances, and final forecasts,
 - amounts assessed or committed,
 - amounts collected and paid,
 - amounts outstanding for collection and payment,
 - differences, positive or negative, between assessments, commitments, and their final forecasts.
3. For residuals, the following must be specified:
 - the amount at the beginning of the financial year,
 - adjustments due to restatements,
 - amounts collected or paid under the residual account,
 - amounts remaining to be collected or paid.
4. For cash management, the following should be indicated:
 - the final cash forecast,
 - collections and payments in both accrual and residual accounts,
 - variances, whether positive or negative, in relation to cash forecasts, including revenue surpluses, shortfalls, savings, or overpayments.
5. At the end of the fiscal year, residuals must state:
 - amounts outstanding for collection and payment in both residual and accrual accounts.



Art. 25. STATEMENT OF ASSETS AND LIABILITIES

1. The Statement of Assets and Liabilities presents the balances of assets and liabilities at both the beginning and end of the financial year, detailing changes in specific asset and liability accounts as well as any variation in net assets.
2. Offsetting between asset and liability accounts is strictly prohibited.

Art. 26. PROFIT AND LOSS ACCOUNT

1. The income statement presents the current income and expenses under accrual-based management, along with changes in residual assets and liabilities, as well as other assets including capital gains and losses.
2. Offsetting between asset and liability components on the income statement is not permitted.

Art. 27. ADMINISTRATIVE SITUATION

The final account includes an administrative summary detailing:

- a. opening cash fund, receipts, total annual payments (accrual and residual), and year-end balance;
- b. outstanding amounts to be collected or paid at year-end;
- c. administrative surplus or deficit.

Art. 28. CONSOLIDATED CASH BALANCE SHEET

1. STU prepares categorized and consolidated financial, asset-liability, and administrative statements covering its operations and those of the Expenditure Centers.
2. Accrual and cash-based financial schedules are appended to the final account.

Art. 29. RESIDUAL REASSESSMENT

1. The CFO compiles an annual statement of residual assets and liabilities by year and chapter.
2. This statement, as of January 1, records amounts collected or paid during the year, those eliminated, and those still outstanding.
3. When reacquiring residual liabilities, follow these rules:
 4. Uncommitted current expenditure appropriations at year-end are budget savings.
 5. Unused reserve funds at year-end are budget savings.
 6. Uncommitted capital or earmarked appropriations may be retained in their chapters for up to three fiscal years after initial entry.
7. The Board of Trustees, with the Auditor's input, must approve any changes to residual assets and liabilities.
8. Residual assets can only be reduced or removed after all collection efforts are completed.

Art. 30. PREEMPTION

1. Residues from current expenditures are not paid after the second fiscal year, and those from capital expenditures are not paid after the fifth fiscal year.
2. Perishable liabilities may be transferred to the accrual account for future financial years if payment is still required by creditors whose claims remain valid.
3. Only perishing liabilities from the Special Fund of Perishing Liabilities can be rewritten.

Art. 31. MORTGAGES

The Board of Trustees may borrow funds for investment, with annual loan repayments capped at 15% of the average cash balance.

Art. 32. ADVANCES

The Board of Trustees may authorize advances to Expenditure Centers when these are required for expenditures associated with revenues that have been assessed but not yet collected.

TITLE III - ACTIVITIES

Section I - Administration and Administrative Process

Art. 1. ADMINISTRATIVE PROCEDURE

The principles of economy, effectiveness, and transparency govern the exercise of STU functions within administrative procedures.



Section II - Negotiating Autonomy

Art. 1. NEGOTIATING AUTONOMY

1. The STU possesses negotiating autonomy, as long as it complies with community regulations and rules specifically addressing the STU.
2. The STU is authorized to engage in conventions, both standard and non-standard contracts, and unilateral negotiations.
3. The Expenditure Centers identified in the Statute hold administrative accounting and negotiating autonomy, adhering to applicable regulations. They report directly to principals regarding activities carried out within their independent scope.
4. All acts and contracts must specify a clear term and duration, not exceeding nine years, except in cases of necessity or convenience.

Art. 2. RESPONSIBILITIES OF THE BOARD OF TRUSTEES

1. The Board of Trustees approves contracts for:
 - New project implementation
 - Consortia participation or covenants
 - Acquisition or disposal of immovable property
 - Extraordinary real estate maintenance over USD 100,000 (excl. VAT)
 - Routine real estate maintenance over USD 200,000 (excl. VAT)
 - Acceptance of donations, inheritances, or legacies exceeding USD 100,000
2. The Board also decides on:
 - Independent collaboration contracts for teaching and related activities
 - Contracts for official teaching courses

Art. 3. RESPONSIBILITIES OF THE ACADEMIC SENATE

The Academic Senate provides input on:

- Independent collaboration contracts for supplementary teaching, with Board of Trustees' approval;
- Contracts assigning responsibility for official courses, with advice from the Board of Trustees as needed.

Art. 4. POWERS OF THE CHIEF ACADEMIC OFFICER

The Chief Academic Officer enters into all contracts concerning teaching and research.

Art. 5. RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER

1. It is the responsibility of the Chief Financial Officer to deliberate and enter into contracts related to:
 - a. ordinary and extraordinary maintenance of real estate of amounts up to USD 100,000.00 (one hundred thousand/00), excluding VAT;
 - b. provision of goods and services;
 - c. acceptance of donations, inheritances, and legacies up to the amount of USD 100,000.00 (one hundred thousand/00)
2. The CFO oversees the execution of contracts within their purview and the purview of the Board of Trustees, excluding those about teaching and research.

Art. 6. COMPETENCE OF SCHOOLS AND EXPENDITURE CENTERS

The Schools and Expenditure Centers are responsible for the deliberation and conclusion of contracts related to:

- routine maintenance of real estate up to a maximum of USD 10,000.00 (ten thousand/00) excluding VAT;
- provision of goods and services up to a maximum of USD 10,000.00 (ten thousand/00);
- With CFO review the acceptance of donations, inheritances, and bequests of movable property up to a maximum of USD 5,000.00 (five thousand /00);
- research grants, when provided within the framework of an express legislative provision, or find capacity in predeterminable public expenditure chapters.

Art. 7. POWERS OF THE PRESIDENT

The President can enter into contracts under the purview of the CFO or Schools when they exceed the maximum limits assigned to them up to a maximum of USD 50,000 (fifty thousand/00).



Art. 8. EXPENDITURES IN THE ECONOMY

1. The following expenses may be made in the economy, up to a maximum from time to time of USD 15,000.00 (fifteen thousand/00) within the limits of the Budget appropriations:
2. Works in the economy may be carried out by direct administration, with STU's materials and means, or by piecework through awarding contracts to companies after obtaining several quotations, even by fax.
3. The Chief Financial Officer shall order expenditures under this Article without prejudice to the responsibilities of the heads of Schools and Centers:
 - a. purchase of stationery, printed matter, and records;
 - b. maintenance, repair, insurance, and rental of means of transportation, as well as the purchase of fuel, lubricant, spare parts, and accessories;
 - c. purchase of equipment for employees;
 - d. subscription to periodical press and purchase of books and publications;
 - e. postal, telegraph, telephone, heating, motive power, and water expenses;
 - f. routine and extraordinary maintenance for the repair of the premises and related facilities;
 - g. transportation, shipping, and portage;
 - h. purchase, maintenance, and repair of furniture, furnishings, equipment, scientific and educational instruments, materials, and computers;
 - i. short-term leases of real estate, organization of exhibitions, conferences, seminars, and cultural and scientific events;
 - j. entertainment expenses;
 - k. disclosures of competitions or public tenders, as well as translation, printing, typography, and lithography work.
4. Works in the economy may be carried out by direct administration, with STU's materials and means, or by piecework through awarding contracts to companies after obtaining several quotations, even by fax.
5. The Chief Financial Officer shall order expenditures under this Article without prejudice to the responsibilities of the heads of Schools and Centers.

Art. 9. PUBLICATION EXPENSES

1. Expenses for the printing of periodicals and other publications may be incurred from the funds of the expense centers as follows:
 - a. expenses for publications must be authorized in advance;
 - b. publications must include the name of the STU, facility, author, and title.
2. The contract with the Publisher must be approved by the Spending Center Governing Body and signed by the center manager.
3. A register shall be kept for publications that note their number and recipients for exchanges.

Art. 10. UNIVERSITY BUILDING

The Board of Trustees is responsible for assigning design, execution, and testing tasks for construction and building works, subject to applicable University building regulations.

Art. 11. PAID BENEFITS

1. STU may perform technical and professional services on commission from public administrations or private individuals.
2. Said services must be performed for consideration.
3. In preparing fee schedules, the proposing facilities must consider the printouts prepared by the professional associations or, by reasoned order, current market prices. The Board must approve the price schedules.

Art. 12. COLLABORATION AGREEMENTS

1. STU may enter into cooperative agreements with public administrations in certain areas of activity of common interest.
2. Collaborative agreements may also be made with private individuals.
3. Current regulations allow collaboration agreements between public and private entities regarding cultural, educational, and scientific activities.
4. The Chief Academic Officer enters into collaboration agreements after in consultation with the Board of Trustees.



Art. 13. CONTRACTS FOR RESEARCH, CONSULTING, SERVICES

1. STU may enter into contracts with public and private entities for consideration to undertake pure and applied research or consulting assignments, that is, to organize and conduct courses, seminars, and lecture series.
2. The Academic Senate approves the model contract schedules upon the concurrence of the Board of Trustees and indicates their essential elements and related financial statement schedules.
3. The Board of Trustees identifies the share of income allocated to staff and the maximum individual compensation.
4. Non-pecuniary consideration is prohibited.

Art. 14. MEMBERSHIP AND PARTNERSHIP CONTRACTS

1. STU may participate in associations, societies, and foundations.
2. STU may participate with cash contributions in consortia, consortium companies, and corporations.

Art. 15. CONSULTING AND PROFESSIONAL ASSIGNMENTS

1. STU may enter private law contracts for labor and consulting services and cover teaching.
2. The resolution to entrust specific paid positions must identify the need for entrustment and is, as a rule, approved by the Board of Trustees.
3. The Board of Trustees may resolve to entrust paid work outside the scope of institutional duties to employees.
4. The compensation to be paid to employees for professional assignments shall be determined by mutual agreement with the staff concerned with the service.

Art. 16. DISBURSEMENT TO STAFF

The Chief Financial Officer determines the compensation for personnel who accept additional duties beyond the scope of their ordinary duties.

Art. 17. SCHOLARSHIPS - DISBURSEMENTS AND ACTIVITIES FOR STUDENTS

1. The Academic Senate, in consultation with the Board of Trustees, may resolve to establish scholarships for students and young graduates.
2. After consulting with the Board of Trustees and following special rules of procedure, the Academic Senate shall determine the rules governing and establishing such scholarships, their duration and maximum size, and the obligations and duties of the scholarship holders.
3. Scholarships are exempt from tax contributions and do not give rise to social security benefits and career recognition.
4. STU shall provide accident insurance coverage.
5. Interventions in favor of students remain governed by current regulations.

TITLE IV - HERITAGE

Art. 1. ASSETS

1. The assets of the STU consist of immovable and movable property and intangible values.
2. Assets are recorded and described in appropriate analytical inventories, referring to the Expenditure Centers and all other facilities.
3. Stationery and consumable goods that quickly deteriorate by use shall not be entered into the inventories. Appropriate quantity and species accounts shall be kept for such goods.
4. The materials are loaded based on orders from the relevant office and delivery notes from suppliers. Vouchers make a withdrawal for the needs of individual offices.

Art. 2. INVENTORY

1. Assets are inventoried using a computer system.
2. Inventories must contain the description, value, and location, and indicate the consignee of the property.
3. The Chief Financial Officer shall keep copies of all Entity inventories. The periodic changes in them shall also be noted to deduce the elements for the balance sheet.



Art. 3. DELIVERERS

1. Movable assigned to general services are given to the Bursar, and those set to expense centers and other facilities are given to the heads of each of them.
2. Minutes shall be taken of the handover, which the Chief Financial Officer and the recipient shall sign.
3. The handover shall be carried out using a general reconnaissance of the assets in an adversarial manner between the relinquishing consignee or his successors in title and the succeeding consignee in the presence of a representative of the Administration, and minutes shall be taken.
4. The Chairperson of the Board of Trustees, subject to a resolution of the Board of Trustees, shall assign real estate or parts thereof, or significant equipment, for use by individual Expenditure Centers, specifying particular conditions of use.
5. The consignees are responsible for regularly keeping inventories and must ensure that they are updated.
6. The consignees are personally responsible for adequately preserving the movable and immovable property entrusted to them.

Art. 4. INVENTORY DISCHARGE

Unserviceable or obsolete movable property should be removed from inventory and may be disposed of or donated to charities, research organizations in developing countries, science museums, or similar institutions.

Art. 5. RECONNAISSANCE OF ASSETS

Asset reconnaissance, inventory renewal, and support revaluation are required to be conducted at a minimum of once every ten years, in accordance with criteria set forth by the Board of Trustees.

TITLE V - ADMINISTRATION AND ACCOUNTING OF EXPENDITURE CENTERS

Art. 1. DEFINITION

1. The Expenditure Centers provided in the Bylaws are the Colleges and Research Centers. They have financial, accounting, and budgetary autonomy formulated in accrual and cash financial terms to manage the resources made available to them by the Board of Trustees.
2. For rules regarding the formulation of the Budget, final Budget, powers of the Dean of the College bursar fund, accounting records, and the consignee of assets, express reference is made to the rules in Titles II, III and IV and with the limits established by the Board of Trustees of STU.

TITLE VI - MONITORING AND EVALUATION PROCEDURES

Section I - Administrative-Accounting Review

Art. 1. AUDITOR

1. At STU, a legal auditor is established, whom the Board of Trustees appoints.
2. The Statutory Auditor is appointed by decree of the Chairman of the Board of Trustees, serves for three fiscal years, and his term is renewable. A Statutory Auditor is someone qualified and licensed to conduct audits.
3. The Statutory Auditor shall record his determinations and transmit copies to the Chairman of the Board of Trustees and the Chief Financial Officer.
4. The Auditor can view all STU administrative and accounting records to perform its functions.

Art. 2. DUTIES OF AUDITOR

The Auditor:

- Examines the Budget and all other accounting documents, its variations, and the final account, drawing up appropriate variations;
- Carries out all necessary checks to ensure the smooth running of operations;
- ascertains the regularity of the maintenance of books and records;
- Performs cash audits;
- verifies its independence;
- Verifies the administrative and accounting structure;
- Delivers opinions at the request of the Chairman of the Board of Trustees and the Chief Financial Officer.



Art. 3. ALLOWANCES

In addition to contract considerations, the statutory auditor shall be granted an office allowance as determined by the Chief Financial Officer in consultation with the President, in addition to reimbursement of expenses.

Art. 4. INTERNAL MONITOR/CONTROLLER

An independent internal monitor/controller is crucial for safeguarding the long-term interests of both the institution and its Board of Directors, particularly in nonprofit higher education where governance,

transparency, and compliance are fundamental to trust and sustainability. By operating outside the executive chain of command and reporting directly to the board, an internal monitor provides unbiased oversight of financial integrity, operational compliance, institutional risk management, and due to the qualifications of the selected individuals, information/cybersecurity, privacy, and data protection. This role serves as both a guardian of institutional integrity and a partner in strategic development, ensuring that leadership actions align with the university's mission, policies, and public accountability obligations. The purpose of this role is to protect the interests of the University and the Board of Directors while assisting staff in developing operational excellence through the delivery of educational services. The internal monitor/controller is a position appointed by the Board of Trustees and reports directly to the Board of Trustees, specifically to the Chair of the Board of Trustees. This position works with the board, STU faculty and staff, the statutory auditor, and external regulators. In addition to contract consideration, this position shall be granted an office allowance as determined by the Chief Financial Officer in consultation with the President, in addition to reimbursement of expenses.

Section II - Management evaluation

Art. 1. MANAGEMENT EVALUATION

1. The Internal Evaluation Board evaluates the proper and economic management of resources, impartiality, and good performance of administrative action.
2. The members of the Internal Evaluation Board shall be awarded compensation determined by the Board of Trustees after consultation with the Chief Financial Officer.
3. The Core consists of three full members and one alternate member.

Art. 2. REASSESSMENT OF COSTS

1. To constitute the economic evaluation of services and activities produced, appropriate organizational measures shall be taken to enable the introduction of a financial accounting system based on analytical records by cost centers.
2. The system must make it possible to link the human financial and instrumental resources employed with the results achieved and the related managerial responsibilities to accomplish the monitoring of the costs, returns, and results of the actions taken by university structures and offices.

TITLE VII - FINAL AND TRANSITIONAL RULES

Art. 1. ENTRY INTO FORCE

The Board of Trustees shall determine the entry into force of these Regulations, which it shall approve after hearing the opinion of the University President.