

SYSTEM REGULATION

25.99.05 Interagency and Intrasystem Transactions

April 24, 1996

Revised July 31, 1996

Revised February 8, 2001

I. INTRODUCTION

- 1.1 The TEXAS GOVERNMENT CODE, Chapter 771, Interagency Cooperation Act (TICA) states that all state agencies, including agencies and institutions of higher education, are authorized to enter into written agreements with other agencies of the state to receive or furnish special or technical services. The contract may be for services of employees or resources (materials, and/or equipment).
- 1.2 The TICA specifies that the performing agency will be reimbursed by special voucher or electronically as prescribed by the State Comptroller, for the actual cost, or the nearest practicable estimate of the cost of the services or resources. Reimbursements are not required when services, materials, or equipment are provided in the fields of national defense, disaster relief, or in cooperative efforts proposed by the Governor to promote the economic development of the state.
- 1.3 A contract between any System component and any state agency or institution for services or resources exceeding \$50,000 must be in writing. In situations where the amount of the transaction is \$50,000 or less, the component may use an informal letter of agreement or memorandum instead of a contract.
- 1.4 System regulations governing indirect cost recovery from other state agencies are provided in System Regulation 15.01.01.
- 1.5 A receiving agency may advance funds to a performing agency when necessary for the performing agency to be able to provide services or resources to the receiving agency. If an advance is made, both the receiving agency and the performing agency shall ensure, after the services or resources are provided, that the performing agency has received only enough funds to reimburse it for its total costs. In the TICA, an advance is considered to be a reimbursement.
- 1.6 A contract entered into by one or more state agencies pursuant to the TICA may allow the performing agency to subcontract and purchase equipment. A receiving agency may advance federal funds to a performing agency when a receiving agency determines that such advances would facilitate the implementation of a federally funded program.
- 1.7 System Policy 25.07, Section 6, and System Regulation 25.07.01 determines who may approve interagency and intrasystem contracts.

2. INTERAGENCY CONTRACTING PROCEDURES

- 2.1 Interagency contracts (not including construction contracts) may be executed by the Chief Executive Officers (CEOs) of the System components involved, or their authorized designees subject to Section 6 of System Policy 25.07. If the proposal involves two or more System components, it should be approved by each CEO or authorized designee. Questions regarding proper funding of such agreements may be directed to the System Office of Budgets and Accounting (SOBA). The System Office of General Counsel rules on questions regarding the legal sufficiency of all contracts.
- 2.2 Except for the exempted areas described above, the TICA requires a written contract to be entered into before any services or resources may be provided or received. The contract must specify the following terms:
- (1) the kinds and amounts of services or resources to be provided;
 - (2) the basis for calculating reimbursable costs;
 - (3) the maximum amount of the costs during the time period covered by the agreement;
 - (4) the term of the contract, which may not transcend the term of the biennial period in which the contract is executed; and
 - (5) the specific statutory authority by which each agency, as party to the contract, may perform its separate contracted activity.
- 2.3 The prescribed INTERAGENCY COOPERATION CONTRACT form for all contracts with agencies outside of the System can be found on the web at the following address: <http://tamus.edu/offices/budgets-acct/contracts/general-cooperation-contracts.html>.

3. INTRASYSTEM CONTRACTS

- 3.1 An INTRASYSTEM COOPERATION CONTRACT form, found on the web at the following address: <http://tamus.edu/offices/budgets-acct/contracts/general-cooperation-contracts.html>, or a modified version thereof, shall be used for joint projects and programs involving two or more System components, except where the components involved conclude the best means of accomplishing the project or program is through the lending of personnel.
- 3.2 The Board of Regents has authorized the establishment of service departments for the benefit of one or more System components. Intrasystem cooperation contracts will not be necessary for furnishing goods or services by a service department of one System component to another component. Parties will complete a service agreement detailing actual services to be provided and an estimate of expenses to be charged. Standard order, billing, and payment procedures will be used for these transactions.
- 3.3 Intrasystem contracts may be executed by the CEO of the System components involved or their designee, subject to Section 6 of System Policy 25.07. The System Office of General Counsel rules on questions regarding the legal sufficiency of all contracts.

4. CONTRACTS PROHIBITED BY THE TEXAS INTERAGENCY COOPERATION ACT

The TICA prohibits any state agency or university from contractually committing to the construction of any highway, street, building, or other structure; except those contracts with the Texas Department of Transportation for the maintenance, improvement, relocation, or extension of existing streets, parking lots and accessways. The TICA further prohibits providing any services, materials, or equipment which are required by Article XVI, Section 21 of the Texas Constitution to be supplied under contract given to the lowest responsible bidder. This includes stationery, printing, binding, and fuel used in buildings for heat or power.

CONTACT OFFICE: System Office of Budgets and Accounting

HISTORY: Last version: July 31, 1996

[Section 25 Rules](#)