

Sam Houston State University
A Member of The Texas State University System

Finance & Operations Human Resources Policy RM-1
Risk Management

SUBJECT: Risk Management

PURPOSE: To minimize harm to the physical, human, fiscal and environmental resources of the university and to minimize the total cost of risk to the university.

POLICY: It is the policy of Sam Houston State University to practice sound risk management procedures to minimize and control the university's exposures and losses.

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1. Statement of Facts Concerning Risk Exposures and Losses

Sam Houston State University recognizes the following facts concerning the physical, human, fiscal and environmental resources of this university:

- a. During the normal course of conducting the business of this university, the physical, human, fiscal and/or environmental resources of the university are routinely exposed to various risks that can result in losses to the university.
- b. These physical, human, fiscal and environmental resources are valuable assets to this university and to the citizens of the State of Texas.
- c. Because of the special value of these assets, they deserve reasonable protection consistent with the availability of funds.
- d. Unless measures are taken to preserve/protect these resources, losses will occur.
- e. The provision of such protection requires a significant commitment of time, money, resources and staff to manage, preserve and protect these resources in the most cost effective manner.
- f. The discipline of "risk management" is a specialized process that is aimed specifically at minimizing and controlling the university's exposures and losses.

2. Risk Management Goals

- a. The long term goal is to minimize harm to the physical, human, fiscal and environmental resources of the university and to minimize the total cost of risk to the university.
- b. Provide for prompt, reasonable correction or payment, to the extent that the university is reasonably responsible, for any harm done to persons or properties by the university or its agents.

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3. Risk Management Practices

- a. Routinely identify all significant known perils and risks to which the university may be exposed.
- b. Avoid unnecessary or unreasonable exposures to the extent practicable.
- c. Take all reasonable and practical steps to prevent harmful events and losses.
- d. Initiate reasonable and appropriate loss control techniques to control the frequency and severity of unavoidable losses.
- e. Insure, where appropriate, individual or aggregate exposures where large potential losses exist.

4. Authority and Responsibility

The University President shall appoint a Risk Manager who shall serve under the direction of the University President. The Risk Manager is delegated the authority and responsibility to create and carryout the Risk Management Program. The Risk Manager shall be responsible for planning, organizing, coordinating, implementing, monitoring and controlling the University's Risk Management Program.

The Risk Manager's authority and responsibility shall not cross over into the functional areas of the University. However, since a comprehensive Risk Management Program touches all other functional areas of the University; managers, supervisors, and employees of all functional areas shall cooperate with the Risk Manager in the development and implementation of the Risk Management Program.

Reviewed by: David L. White, Interim Director of Human Resources – 02/01/2009
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