

Memo to: All UH-Downtown/PS Holders
From: Max Castillo, President
Subject: Risk Management

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1. PURPOSE

This PS establishes guidelines for the risk management program at the University of Houston - Downtown (UHD).

2. POLICY/PROCEDURES

2.1 Facts Concerning University Resources

2.1.1 The physical, human, fiscal, and environmental resources of the University are valuable assets to this University and to the citizens of the State of Texas.

2.1.2 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.

2.1.3 Because of the special value of these resources, they deserve reasonable protection consistent with the availability of funds.

2.1.4 Unless measures are taken to preserve/ protect these resources, losses will occur.

2.1.5 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.

2.1.6 The discipline of "risk management" is a specialized process that is aimed specifically at minimizing and controlling the University's exposures and losses.

2.2 Goals and Objectives

In recognition of the above facts, the University establishes the following goals concerning risk management:

2.2.1 In carrying out the University's business, 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.

2.2.2 To minimize harm and the cost of the risk, the University shall:

- attempt to routinely identify all significant known perils and risks to which the University may be exposed;
- avoid unnecessary or unreasonable exposures to the extent practicable;
- take all reasonable and practical steps to prevent harmful events and losses;
- initiate reasonable and appropriate loss control techniques to control the frequency and severity of those losses that are unavoidable;
- in accordance with state law, insure appropriate individual or aggregate exposures that are of such large potential losses that the use of normal operating expenses for payment of losses is prohibitive.

2.2.3 In the event a harmful act or loss occurs, and to the extent that the University is reasonably responsible for any harm done to persons or properties by the University or its agents, the University shall take prompt and reasonable corrective action.

2.3 Duties of University Risk Manager

2.3.1 The UHD Risk Manager serves under the direction of the Vice President for Administration and is responsible for the planning, organizing, coordinating, implementing, monitoring and controlling the University's risk management program.

2.3.2 The Risk Manager shall employ (subject to Vice President for Administration approval and availability of funds) a staff of risk management professionals and technical and clerical support staff that will accomplish University risk management goals and objectives.

2.3.3 The Risk Manager's authority and responsibilities shall not cross over into other functional areas of the University. However, since a comprehensive risk management program touches all 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.

3. REVIEW AND RESPONSIBILITY

Responsible Party (Reviewer): Vice President for Administration

Review: As needed

President