

Impacted schools must be contacted and their response(s) included:

Person communicated with: Mark Maxwell, Actuarial Studies Program Director, Department of Mathematics, College of Natural Sciences

Date of communication: April 3 and June 20, 2016, and other times

Response: Does not impact the Actuarial Science program in terms of additional demands as students from math might take an additional McCombs course already offered. Any actuarial science course is an appropriate elective for RM Certificate students who have the prerequisites for the ACF class.

The Actuarial Science Director and College are interested in sending students to the RM Certificate Program as many already take the classes. Likewise, the RM Certificate Program will approve any Actuarial Science course as an elective class for the RM Certificate. Risk Management and Actuarial Science are very closely linked in industry, and RM is a major employer for Actuarial Science students.

Dr. Maxwell is extremely positive and reciprocally supportive, and will serve on the advisory board for the certificate.

Person communicated with: David Vandebout, Associate Dean for Undergraduate Education, College of Natural Sciences

Date of communication: June 29, 2016

Response: "I think this looks like a good proposal. In speaking with Mark Maxwell it doesn't seem like it will place any burden on the Actuarial program and actuarial students would be able to easily pursue the certificate without affecting their timely graduation. I have no other questions or objections."

Person communicated with: Madeline Maxwell, Director of the Center for Dispute Resolution, Professor in Communication Studies, College of Communications

Date of communication: April 19 and May 5, 2016

Response: Dr. Maxwell is interested in working with students from the RM Certificate Program and any students are welcome to take CMS 354, CMS 371K when there are spaces available.

The RM Certificate Program will require no specific elective courses that require special arrangements for a student to enter the class. Students must have the prerequisites and be able to enroll when there are seats available.

4. **Official Certificate Name:** Undergraduate Certificate: Risk Management Certificate
5. **Proposed Implementation Date:**⁴ Fall 2018
6. **CIP Code** (administrative unit awarding the certificate):⁵ 52.1304 Business – Actuarial Science
7. **Statement of Objective:**⁶ To prepare students to meet successfully the current and existing risk challenges of the business environment. The RM Certificate Program strives to make students aware of the need for risk management irrespective of their professional focus and help them to know how to prepare their business environment to protect itself from risks that may occur.
8. **Number of Students Expected to Receive the Certificate Each Semester:** 20 students
9. **Number of Hours Required for Completion:**⁷ Eighteen (18) hours

10. List Faculty on the Certificate Program Faculty Committee.⁸

Name of Faculty Member	College/Department	Title at UT Austin	Highest Degree and Awarding Institution
Patrick Brockett (chair)*	Business / Information, Risk & Operations Management	Professor	Ph.D., University of California at Irvine
Linda Golden*	Business / Marketing	Professor	Ph.D., University of Florida; J.D. University of Texas at Austin
Laura Starks*	Business / Finance	Associate Dean for Research, Professor	Ph.D., University of Texas at Austin
William Cunningham*	Business / Marketing	Professor	Ph.D., Michigan State University
Mark Maxwell	Natural Sciences / Mathematics	Clinical Professor	Ph.D., Oregon State University
Christopher McClellan	Business / Information, Risk & Operations Management	Lecturer	J.D., University of Texas at Austin

11. Academic Course Requirements:⁹ Use this table to identify the courses that qualify for this certificate program.

Course Abbreviation and Number	Course Title	SCH ¹⁰
R M 357E or URB 351.6	<i>Introduction to Risk Management</i> or <i>Introduction to Risk Management</i> (these two classes are “same-as,” home is RM)	3
R M 377 or R M 369K	<i>Property-Liability Risk Management and Planning</i> or <i>Managing Employee Risks and Benefits</i> Note: whichever course is not used to satisfy the required course, can be used to satisfy an elective course	3
ACC 310F or #ACC 311 or #ACC 311H	<i>Foundations of Accounting</i> (for non-business students participating in the certificate) or <i>Fundamentals of Financial Accounting</i> (#prerequisite: Twenty-four semester hours of college credit.) (for business students participating in the certificate) or <i>Fundamentals of Financial Accounting: Honors</i> (#prerequisite: Twenty-four semester hours of college credit, Management Information Systems 301 or its equivalent, and credit or registration for Business Administration 324 or 324H.) (for business honors students participating in the certificate)	3
#FIN 320F or #FIN 357	<i>Foundations of Finance</i> (#prerequisite: Upper-division standing) (for non-business students participating in the certificate) or <i>Business Finance</i>	3

or #FIN 357H	(#prerequisite: Statistics 309 or 309H, and credit or registration for the following: Accounting 312 or 312H, and Business Administration 324 or 324H) (for business students participating in the certificate) or <i>Business Finance: Honors</i> (#prerequisite: Economics 304K and 304L, and credit or registration for Accounting 312 or 312H, Business Administration 324 or 324H, and Statistics 371H or 375H) (for business honors students participating in the certificate)	
<i>Two of the following courses; only one can be a business course. Students must be able to enroll in these openly or through their majors.</i>		<i>6 (3 each course)</i>
#ACF 329	<i>Theory of Interest</i> (#prerequisite: Mathematics 408D, 308L, 408L, or 408S with a grade of at least C-)	3
#ACF 3 hrs	Any three hours lower- or upper-division Actuarial Foundations (#prerequisite: Varies with course)	3
#CMS 354	<i>Conflict Resolution</i> (#prerequisite: Upper-division standing) (Can be taken second summer only as open enrollment is only available then; web-based)	3
CMS 371K	<i>Practicum in Conflict Mediation</i>	3
#ECO 3 hrs	Any three hours lower- or upper-division Economics (#prerequisite: Varies with course)	3
#FIN 377.2	<i>Financial Risk Management</i> (#prerequisite: Finance 367 or 367Q)	3
#LEB 3 ADV	Any three hours upper-division Legal Environment of Business (#prerequisite: Varies with course)	3
#M 339D	<i>Introduction to Financial Mathematics for Actuaries</i> (#prerequisite: Actuarial Foundations 329 or Mathematics 329F; and Mathematics 362K with a grade of at least C-)	3
#M 339J	<i>Probability Models with Actuarial Applications</i> (#prerequisite: Mathematics 358K or 378K with a grade of at least C-)	3
#M 339U	<i>Actuarial Contingent Payments I</i> (#prerequisite: Mathematics 362K with a grade of at least C-; credit with a grade of at least C- or registration for Actuarial Foundations 329 or Mathematics 329F; and credit with a grade of at least C- or registration for Mathematics 340L or 341)	3
#M 339V	<i>Actuarial Contingent Payments II</i> (#prerequisite: Actuarial Foundations 329 or Mathematics 329F, and M 339U with a grade of at least C- in each)	3
#M 339W	<i>Financial Mathematics for Actuarial Applications</i> (#prerequisite: Mathematics 339D with a grade of at least C-)	3
#M 349P	<i>Actuarial Statistical Estimates</i> (#prerequisite: Mathematics 339J, and 341 or 340L, with a grade of at least C- in each)	3
*#MKT 3xx	<i>Reputational Risk and Crisis Management</i> (#prerequisite: will be determined fall 2017)	3

12. Other Certificate Requirements: Students must satisfy the courses used to fulfill certificate requirements on the letter-grade basis, and earn a combined grade point average of at least 2.00 in these courses.

13. Give a Detailed Rationale for Change(s): Creation of new certificate, as indicated in statement of objective.

14. College/School Approval Process:

Approver: Undergraduate Program Committee

Title: faculty representatives from each McCombs Department, and student representatives

Date: November 14, 2016

Approver: Faculty of the McCombs School of Business

Title: faculty of all McCombs Departments and programs

Date: pending in April 2017

Please include a draft of the catalog copy immediately following the above form. If this is an update of an existing copy, the draft should be based on the text of the current catalog available at: http://www.utexas.edu/faculty/council/2014-2015/uc_change/UG_catalog_02.16.15.docx. **Strike through and replace (with underlines) only the specific language to be changed. Do NOT use “track changes!”** Submit form electronically to the Office of the General Faculty and Faculty Council at fc@austin.utexas.edu. For questions, please also email or call 471-5934.

Will go in the Undergraduate Catalog [Red McCombs School of Business](#) > Minors and Certificate Programs immediately after Real Estate Certificate

Risk Management Certificate (RMC)

The business world is increasingly faced with risks from cyber-risk to health care fraud to terrorism, identity theft and financial risks from longevity of life. These risks all have financial consequences that are recurring or crisis. The management of risk is increasingly important in the USA and worldwide. For-Profit and Not-for-Profit enterprises (from charities to government) find themselves confronting risks and the resulting financial consequences daily. Business managers from all areas of expertise need to be prepared to prevent and address risks in order to survive—the ultimate goal of most all enterprises.

The Risk Management Certificate provides a student with a tool kit for contemplating, identifying, prioritizing, and formulating approaches to manage varying types of risks inevitably faced. The RM Certificate allows for six hours of free electives (inside or outside of McCombs) as there are many types of risk a particular student might be faced with (e.g., *financial crisis risk, natural disasters (from hurricanes, tsunami to volcanos and fires), cyber risk (from identify theft, fraud, mobile commerce risks to phishing and hacking, etc.), risk of political and other crises disrupting supply chains, terrorism and the reality that all enterprises operate in an increasingly vulnerable and connected infrastructure. Indeed, as an example, over 90% of the Fortune 500 companies have created an insurance company subsidiary designed to help them manage their risks internally (a captive insurer). This allows for both some degree of managerial control and risk transfer to protect the firm. Companies need increasing active risk management expertise to survive.*

Who Should Consider The Risk Management Certificate (RMC)?

The Risk Management Certificate is designed for both business and non-business majors who expect to be in a management position, including entrepreneurs. Examples include all Business majors who plan to pursue an entry-level job in supply chain, finance, manufacturing, insurance, management information systems, marketing or other business functions. Non-business majors can be students in liberal arts, economics, actuarial science, petroleum engineering, retailing, communications, health care or students from any other discipline who want to understand the impact of risk and the management of risk for their future employer.

Risk Management Certificate Application and Coursework Requirements

The Risk Management Certificate Program is both structured and flexible to allow the student to pursue interests in discipline-specific risks as well as general risks that any

enterprise might face. Admission to the program requires upper-division standing and a 2.5 GPA, and is based on students' overall academic record. Students must apply to receive the RM Certificate at least one full semester prior to anticipated graduation. Registration in courses does not require admission to the Risk Management Certificate Program.

At least half of the required certificate coursework (nine hours) must be completed in residence at The University of Texas at Austin. Students must contact the certificate office to request the certificate the semester *before* they will complete the program; by April 1 for fall, by November 1 for spring or summer. This timing facilitates the student's ability to have a semester prior to graduation to complete necessary coursework. Students have up to one year after graduation to complete the certificate program for transcript purposes, and must have applied as per dates above. A maximum of nine hours of certificate coursework may be taken after the student has earned the undergraduate degree. In order to receive the Risk Management Certificate students must comply with University Rules and Regulations and RMC Program requirements regarding satisfactorily completed coursework and degree completion.

Required Coursework for the RMC

The RMC requires eighteen semester hours of coursework as described below. Twelve hours are business coursework: six hours of risk management, three hours of accounting and three hours of finance. An additional six elective hours relevant to risk management are selected by the student, with a maximum of 3 hours allowed from the McCombs School of Business.

Required courses:

1. *RM 357E Introduction to Risk Management, or URB 351.6 Introduction to Risk Management*
2. *RM 377 Property-Liability Risk Management and Planning, or RM 369K Managing Employee Risks and Benefits (offered in alternating Fall semesters)*
3. *Accounting 310F Foundations of Accounting (for non-business students and fulfills the quantitative reasoning flag), or Accounting 311 Fundamentals of Financial Accounting, or 311H Fundamentals of Financial Accounting-Honors*
4. *Finance 320F Foundations of Finance (for non-business students), or Finance 357 Business Finance, or 357H Business Finance-Honors*

Elective courses:

Choose two of the following courses; both can be non-business, or one only can be a business course. Risk Management Certificate students *must* be able to enroll in an elective openly or through their majors and have the required prerequisites - the RMC Program cannot grant or request exceptions to prerequisites for elective courses.

1. [RM 377 Property-Liability Risk Management and Planning, or RM 369K Managing Employee Risks and Benefits \(whichever was not used to fulfill the certificate requirement above\)](#)
2. [ACF 329 Theory of Interest](#)
3. [Any three hours lower- or upper-division Actuarial Foundations \(ACF\)](#)
4. [CMS 354 Conflict Resolution \(Can be taken second summer only as open enrollment is only available then – web-based course\)](#)
5. [CMS 371K Practicum in Conflict Mediation \(If student can access via open enrollment as majors have preference\)](#)
6. [Any three hours lower- or upper-division Economics \(ECO\)](#)
7. [FIN 377.2 Financial Risk Management](#)
8. [Any three hours upper-division Legal Environment of Business \(LEB\)](#)
9. [M 339D Introduction to Financial Mathematics for Actuaries](#)
10. [M 339J Probability Models with Actuarial Applications](#)
11. [M 339U Actuarial Contingent Payments I](#)
12. [M 339V Actuarial Contingent Payments II](#)
13. [M 339W Financial Mathematics for Actuarial Applications](#)
14. [M 349P Actuarial Statistical Estimates](#)
15. [MKT 3xx Reputational Risk and Crisis Management](#)

[Other courses may be considered for substitution, as approved by the Risk Management Certificate Program. Courses dealing with conflict resolution, health management, health infrastructure, public policy, governmental regulation, risk management, or security are likely candidates.](#)

[The student must satisfy the courses used to fulfill certificate requirements on the letter-grade basis. He or she must earn a combined grade point average of at least 2.00 in these courses.](#)

[Please contact _____ \(staff administrator\) or Dr. Patrick L. Brockett, Director of the Risk Management Certificate Program, for additional questions and further information.](#)

¹ **Minimum Criteria for Certificate Recognition on the Transcript**

- a) The transcript-recognized undergraduate academic certificate program must be completed in conjunction with or within one year of completion of an undergraduate degree at The University of Texas at Austin; students pursuing an integrated undergraduate/graduate program must complete the requirements for the certificate within one year after completing the undergraduate requirements of their program. A maximum of nine credit hours in the certificate program may be taken after completion of the undergraduate degree.
- b) Transcript-recognized undergraduate academic certificate programs must require a minimum of eighteen hours of certificate course work, but not more than twenty-four hours.
- c) At least half of the required coursework in the certificate program must be completed in residence at The University of Texas at Austin.
- d) A student may **not** earn a certificate in the same field of study as his or her major, and at least one course required in the certificate program must be outside the requirements of the major. However, courses in the

certificate program outside the major may fulfill other degree requirements such as general education requirements or required elective hours.

- e) Students apply for transcript recognized undergraduate academic certificates at the time they complete their undergraduate degree or the certificate program, whichever comes later. Transcript recognition is awarded at that time.

² See: Certification Form for New Certificate Programs at Universities and Health-Related Institutions (“New Certificate Request Form”) at <http://www.thecb.state.tx.us/index.cfm?objectid=5D0C5FF2-AAB7-2586-5F742FC569C700E0&flushcache=1&showdraft=1>.

³ Exclusive: of *exclusive* application and of primary interest only to a single college or school (“no protest” period is *seven calendar days*); general: of *general* interest to more than one college or school (but not for submission to the General Faculty) (“no protest” period is *fourteen calendar days*); *major* legislation must be submitted to the General Faculty for adoption (“no protest” period is *fourteen calendar days*).

⁴ Certificates will not appear on the University transcripts until next catalog.

⁵ Use the federal CIP code selector site to pick a code, <http://nces.ed.gov/ipeds/cipcode>. After all other areas of this form are completed, forward a copy to the Office of Institutional Reporting, Research, and Information Systems (IRRIS) IRRIS_data_request@utlists.utexas.edu with a request to verify the CIP code (“CIP CODE” in the subject line). Include your contact information, so an IRRIS member may contact you with any questions.

⁶ Include heading in *Undergraduate Catalog* where changes will be made.

⁷ See footnote 1b above: eighteen to twenty-four hours are required.

⁸ For inclusion on transcripts, the faculty committee must have a minimum of five members and at least 2/3 of the committee must be tenured or tenure-track.

Note with an asterisk those faculty members who are tenured or tenure-track. Please also note the program chair who will be responsible for authorizing the students’ certificates. Specify changes to the committee membership by noting those no longer on the committee and those added to the committee. (*Add and delete rows as needed.*)

⁹ Note with an asterisk (*) courses that would be added if the certificate program is approved. Specify changes to the qualifying courses by noting those no longer qualifying and those now qualifying. (*Add and delete rows as needed.*) If the course numbers and titles change on a regular basis, please indicate the types of courses and number of hours for required for each. Note with a hashtag (#) courses that require a prerequisite and provide the prerequisite course numbers.

¹⁰ Semester Credit Hours.