

BUSINESS AFFAIRS SUB-COUNCIL

January 23, 1997

MINUTES

Due to a limited agenda, the meeting was held by conference call. The call began at 9:00 a.m. Present were Dr. Joyce Mounce (APSU); Mr. James Bowman and Mr. David Collins (ETSU); Dr. Duane Stucky and Mr. Bob Adams (MTSU); Mr. Clay Harkleroad Jr. (TSU); Mr. Terry Rector (TTU); Dr. R. Eugene Smith and Mr. Raymond Pipkin (UOM); Ms. Tammy Swenson (CSTCC); Mr. Jacky Liner (CISCC); Mr. Ken Horner (CoSCC); Mr. Mitch Robinson (DSCC); Mr. Wayne Powers (JSCC); Mr. Mike Posey (MSCC); Ms. Debra Bauer (NSTI); Dr. Charles Hurley (NSTCC); Mr. Ron Kesterson (PSTCC); Mr. Bill Fuqua (RSCC); Mr. Dwight Johnson (SSCC); Mr. John Kirk (STIM); Mr. James Hodges (VSCC); Mr. Julian Jordan (WSCC); Mr. John Rudley, Mr. Michael Gower, Ms. Kathy Crisp, Ms. Deanna Hall, Ms. Lisa Hall, Ms. Melissa Plant, Mr. Bob Wallace, Ms. Patricia Crook, and Ms. Renee Stewart (TBR).

Dr. Duane Stucky called the meeting to order.

BUSINESS

1. REPORT OF COMMITTEES

A. Report of the Finance Committee

Raymond Pipkin highlighted the following issues from the Finance Committee minutes of January 14, 1997.

1. Fee Recommendations for 1997-98

Mr. Pipkin informed the committee that Bob Adams and Bill Fuqua had been appointed to work with the TBR staff in developing a position paper recommending revisions to fees for the 1997-98 academic year.

Additionally, Mr. Adams and Mr. Fuqua will work with TBR staff in developing a position paper regarding expansion of the existing out-of-state tuition waivers to include performance-based scholarships. Both position papers were requested by the Presidents' Council (November 1996) and will be presented at the April Business Affairs Sub-Council meeting and, subsequently, to the Presidents' Council.

2. Policy 4:02:20:00 Disposal of Surplus Property

Policy 4:02:20:00 Disposal of Surplus Property was revised to include donation to public schools or public school systems as an allowable method of disposal (see Attachment A). The revision was approved by the BASC and will be forwarded to the Presidents' Council. If approved at the Presidents' Council, the revision will be presented at the March TBR Board meeting.

3. **Revisions to the Travel Policy**

Mr. Pipkin reminded the committee that all proposed revisions to the current travel policy should be forwarded to Renee Stewart prior to March 21, 1997. Ms. Stewart will compile the requests and provide Finance Committee members with a copy prior to the April 3, 1997, Finance Committee meeting.

4. **MTSU Workshop on Non-Resident Alien Tax Compliance**

Bob Adams reported that MTSU is sponsoring a workshop on Non-resident Alien Tax Compliance. The workshop will be held February 25-26, 1997, at the Murfreesboro Holiday Inn. Donna Kepley, a nationally recognized expert on this issue, is the scheduled lecturer. MTSU will forward correspondence to each institution regarding workshop attendance. The only costs to institution participants will be travel, with MTSU graciously covering speaker costs.

5. **Withholding for Employees using Fee Waivers for Graduate Level Courses**

Mr. Pipkin reported that procedures for exchanging information among TBR institutions, UT, and state agencies on employees taking graduate level courses need improvement. The following procedures will be implemented for 1997:

- 1) The Central Office will gather information each semester from each institution for UT and state employees who took graduate level courses that semester. The Central Office will compile this information and forward it to UT and the state.
- 2) UT will forward to the Central Office a list of TBR employees who took graduate level courses at UT institutions that semester. The Central Office will identify the TBR institution at which the student is employed and forward the information to that institution.
- 3) The TBR institutions will exchange information amongst themselves regarding employees enrolled in graduate level courses during the semester.

These procedures will be followed each semester and will be triggered by a request from the Central Office. Target request dates are March 1, August 1, and November 1. The request letters will specify information needed and transmittal medium.

6. **Guideline P-045 Deferred Compensation Plans**

Guideline P-045 Deferred Compensation Plans was revised to exclude

students working less than 20 hours from the 403(b) deferred compensation plan. Currently, this guideline excludes students who work 20 hours or less. See Attachment B. The proposed revision was approved and will be presented to the Presidents' Council on February 5, 1997.

The minutes of the Finance Committee were approved as presented.

B. Report of the Human Resource Officers

Ms. Stewart highlighted the following issue from the January 16, 1997, meeting of the Human Resource Officers.

1. Policy 5:01:01:09 Bereavement Leave

Due to questions regarding the use of bereavement leave, the Human Resource Officers reviewed the statute on which Policy 5:01:01:09 is based. It was determined that the purpose of the statute is to provide leave for bereavement purposes. The statute does not address attendance of funerals nor does it require immediate use of bereavement leave following the death of an immediate family member. The committee proposed revising Policy 5:01:01:09 to delete the reference to attending a funeral, see Attachment C. The proposed revision was approved and will be presented at the Presidents' Council.

2. OTHER

A. Early Retirement Proposal

The committee discussed how an institution can request to be included as a pilot institution for the Faculty Early Retirement Program currently under consideration. A letter should be sent to the TBR Central Office prior to the April Presidents' Council. Pending approval to proceed with the program and pilots by the April Presidents' Council, the full Board of Regents will be briefed at the June TBR meeting. The Faculty Early Retirement Program has been approved by the Academic Sub-Council and the Personnel Committee.

The committee discussed how faculty sick leave will be handled if the Early Retirement Program is adopted. Currently, UT faculty do not earn sick leave. Mr. Gower stated that this issue would be considered in developing the TBR Program draft.

B. Purchasing Policy 4:02:10:00

Kathy Crisp, TBR Legal Council, briefed the committee on a proposal to revise the purchasing policy to authorize joint purchasing with the UT System (see Attachment D). The appropriate language must be included in any UT or TBR Requests for Proposals allowing the other system or other institutions to purchase from the contract. While a policy stating this arrangement is not required, both

UT and TBR felt that documenting this agreement through the purchasing policy would be appropriate. The committee discussed methods to make all institutions aware of UT/TBR contracts from which they can purchase. It was determined that an information letter from the TBR Central Office would be forwarded to all institutions regarding these issues.

C. Status of State Funding

The committee requested a status report on state funding and any expected impoundment. Mr. Rudley stated that nothing official had yet been received regarding projected revenue impoundments. Any information received by the Central Office will be communicated to all institutions. With the Governor's Budget due to the Legislature by February 10, 1997, we expect direction on this issue soon.

There being no further business, the meeting adjourned at 9:30 a.m.

Note: The next meeting of the BASC is tentatively scheduled for Thursday, April 24, 1997 at 8:30 a.m. in the TBR Board Room.

ATTACHMENT A

Policy No. 4:02:20:00

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- (c) No article of personal property may be disposed of as surplus except by one of the following methods:
- (1) Trade-in, where such is permitted due to the nature of the property or equipment and subject to the provisions of T.C.A. Sections 12-235 through 12-248 and the rules of this policy;
 - (2) Transfer to other institutions and schools within the State Board of Regents system;
 - (3) Transfer to other state agencies;
 - (4) Sale to eligible political subdivisions of the state and other governmental entities;
 - (5) Public auction, publicly advertised and held;
 - (6) Sale under sealed bids, publicly advertised, opened and recorded;
 - (7) Negotiated contract for sale, at arms length; but only in those instances in which the availability of the property is recurring or repetitive in character, such as marketable waste products;
 - (8) Disposition through the Department of General Services as provided in the Department Rules and Regulations.

(9) Donation to a public school or public school system.

(d) If the president or school director declares the property to be surplus personal property, the method of disposal shall be determined by the responsible authority from the alternatives set forth in Section 3(c) of this policy.

ATTACHMENT B

Guideline No. P-045

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403(b) as amended from time to time. Any provision of this guideline is invalid to the extent such provision is not consistent with Internal Revenue Service provisions.

2. Unless otherwise provided in this guideline, it is intended that Internal Revenue Service provisions be controlling on such matters as limitations on contributions, withdrawal of contributions, payment of benefits, rollovers, and similar matters.
3. Notwithstanding D.1 and D.2 above, the Chancellor shall be empowered to establish reasonable requirements for the administration of the guideline, so long as such requirements do not conflict with any Internal Revenue Service provisions.
4. It is the intention of the Tennessee Board of Regents that an "excess contribution" as defined by Internal Revenue Service provision be returned to the participant as soon as such excess contribution is identified.

E. Eligibility

All employees of an institution/technology center/Central Office, except students scheduled to work **less than** twenty(20)hours per week ~~or less~~, shall be eligible to participate in Section 403(b) programs.

F. Limitations and Contributions

1. The maximum contributions to a Section 403(b) program should be determined by the institution consistent with Internal Revenue Service provisions.

ATTACHMENT C

Policy No. 5:01:01:09

Subject: Bereavement Leave

It is the policy of the Tennessee Board of Regents to provide all regular, full-time and part-time employees time off without loss of pay ~~to attend the funeral of a close relative~~ due to the death of

an immediate family member as defined below, consistent with Chapter 1010 of the Public Acts of 1988 and Chapter 51 of the Public Acts of 1989.

An employee who is absent during his/her regularly scheduled work week due to the death of an immediate family member shall receive payment for reasonable and customary days absent, such days of payment not to exceed three (3) regularly scheduled work days. Immediate family shall be deemed to include 1) spouse; 2) child, step-child; 3) parent, step-parent, foster parent, parent-in-law; 4) sibling(s); and 5) grandparents and grandchildren. In addition to the three (3) regularly scheduled work days, sick leave not to exceed two (2) days may be granted at the discretion of the appropriate approving authority in the instance of death of one of the immediate family members listed above.

Source: September 16, 1988 Board Meeting; June 30, 1989 Board Meeting; September 25, 1995 Board Meeting.

ATTACHMENT D

Policy No. 4:02:10:00

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D. All agreements, contracts and subcontracts shall contain all necessary nondiscrimination requirements provided by Federal or State laws and regulations.

E. Contract Limitations

No contract for purchase of materials, supplies, equipment or services shall be awarded pursuant to these procedures unless funds have been appropriated and are available for the purchase. No contract shall be entered into in addition to the contract resulting from acceptance of a bid and issuance of a purchase order except pursuant to TBR Policy No. 1:03:02:10, Approval of Agreements.

XVIII. UTILITY CONTRACTS

The institution or technology center shall purchase or contract for all telephone, telegraph, electric light, gas, power, postal and other services for which a rate for the use thereof has been established by a public authority in such manner as the Commissioner deems to be in the best interest of the State of Tennessee. Each such purchase or contract shall be made on a competitive basis, whenever possible, in accordance with the TBR Purchasing Policy, unless it has been determined that such purchase is single source. If such purchase has been determined to be single source, the purchase shall then be made pursuant to Section XIV. Sole Source and Proprietary Purchases, of the TBR Purchasing Policy.

XIX. COORDINATION OF PURCHASING FUNCTIONS AMONG SYSTEM INSTITUTIONS AND TECHNOLOGY CENTERS AND WITH THE UNIVERSITY OF TENNESSEE SYSTEM

In all contracts and other bid processes consideration should be given to such wording that would allow member institutions and technology centers to purchase under the terms and conditions of the bid of the individual institution or technology center. **In all appropriate circumstances, consideration should also be given to wording that would allow UT institutions to purchase under the terms and conditions of the bid of a TBR institution. TBR institutions shall also be permitted to purchase under the terms and conditions of a bid of the UT System if the bid authorizes TBR institutions to do so.**