

BUSINESS AFFAIRS SUB-COUNCIL

January 23, 2003

MINUTES

The meeting began at 9:00 a.m. in the TBR Board Room. Present were Mr. Mitch Robinson, Chairperson (APSU); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Mr. John Cothorn, (MTSU); Mr. Mike Gower (MTSU); Mr. Clay Harkleroad, Jr. (TSU); Dr. Charles Hurley (CLSCC); Mr. Al Irby (APSU); Dr. Julian Jordan (WSCC); Mr. Ron Kesterson (PSTCC); Ms. Linda Langiotti (NSCC); Mr. Charles Lee (UOM); Mr. David Lolles (DSCC); Mr. Mike Posey (MSCC); Ms. Susan Rains (STCC); Ms. Claire Stinson (NSTCC); Mr. Greg Wilgocki (ETSU); Dr. Bob Adams, Ms. Kathy Crisp, Ms. Lisa Hall, Ms. Ann Rutland, Mr. Ron Simmons, and Mr. Bob Wallace (TBR).

Mr. Robinson called the meeting to order.

BUSINESS

1. Introduction of New Business Officers

Dr. Bob Adams, Vice Chancellor of Business and Finance, introduced new and transferred Business Officers: Dr. David Collins, ETSU Vice President for Business and Finance; Mr. John Cothorn, MTSU Interim Vice President for Business and Finance; Mr. Mitch Robinson, APSU Vice President for Finance and Administration; and Mr. David Lolles, DSCC Vice President for Finance and Administrative Services.

2. Report of the Finance Committee

Dr. Collins highlighted the following issues from the January 9, 2003, Finance Committee meeting.

A. Guideline G-110 Lead Institutions

The Finance Committee recommended allowing Tennessee Technology Centers to increase the imprest petty cash accounts from \$10,000 to \$15,000. (Attachment A)

B. State Audit of Tennessee Technology Centers

Board staff will follow-up with State Audit to request a separate audit report for any TTC findings. Subsequent to the meeting, Ms. Stewart discussed this issue with Charles Bridges, State Audit Assistant Director. Mr. Bridges stated that state audit is considering the following options: 1) issuing a letter report for TTC findings, 2) reporting TTC finding in the Single Audit report, or 3) including a separate TTC section in the lead institution's audit report. Mr. Bridges stated that a decision that is agreeable to both TBR and state audit will be made when the situation arises.

C. Guideline B-070 Deferred Payment Plan

The Finance Committee recommended no revisions to this Guideline.

D. Policy 1:03:02 Approval of Agreements and Guideline B-030 General Instructions on Form and Execution of Contracts

Ms. Kathy Crisp has sent information to committee members to compare to Finance and Administration policy. Dr. Adams inquired about the perception that such changes would require more documents to flow through TBR's Legal offices. Ms. Crisp responded that any nonconforming contract greater than \$100,000 should already be coming to the Board and that there is no exception for revenue contracts. The revised purchasing policy approved last year clarified this fact and any institution that has been following the policy should have no increase.

Dr. Adams inquired if purchase orders over \$100,000 require Board approval. Ms. Crisp replied that her office discourages putting purchases of this magnitude on a purchase order.

Ms. Crisp recommended that the Council of Buyers set up standards for purchase order minimum terms and conditions and asked BASC members to please share any thoughts on these issues with her.

Mr. Robinson stated that some employees want a training session on contracts. Mr. Chase suggested that such a session be conducted after the above issues are resolved. Dr. Adams asked Ms. Crisp the projected length of the project and then suggested waiting one more quarterly cycle before discussing training.

E. Chairs of Excellence Income

Sub-council members were asked if any report Chair of Excellence Income as anything other than endowment income. There were no exceptions. Board staff will work with State Audit on this income classification. Subsequent to the meeting, Ms. Stewart resolved this issue with state auditors. Both parties agreed that endowment income was appropriate and the weakness will be removed from UOM's audit report.

Finance Committee minutes were approved as presented.

3. Chancellor Manning's Remarks

Chancellor Manning recommended that BASC members consider possible budget reductions due to projected revenue collections. He expects some sort of reduction process that pairs Economic Development with Higher Education.

Dr. Adams asked Chancellor Manning to comment on the administrative system migration project. Chancellor Manning responded that the committee has released an RFI (Request for Information) to vendors to determine if we need to bid or go sole

source. BASC members were warned to not expect a special appropriation for these expenses, the greatest of which will be training.

A CIO (Chief Information Officer) position has been advertised for the central office. This position will report to the Chancellor.

Chancellor Manning thanked sub-council members for successes achieved in the Defining Our Future initiative.

4. Report of the Human Resources Officers Committee

A. Post-Retirement Incentive Program

MTSU had requested a flat premium for efficiency purposes. Ms. Debbie Johnson offered a new idea and recommendation: adjusting the premium on a less frequent basis.

Mr. Cothorn asked HR Officers to look at the current four-year limit on contract renewal. The committee determined that this issue should be referred to Academic Affairs.

HR Officers recommend that final contract approval be at the institutional level. Mr. Posey inquired if there had been any legal issues at the Board level. Ms. Johnson responded that there had been no legal issues, but some errors had been caught. One of the biggest issues is that white outs/strike outs had not been initialed by both parties.

B. Compensation Committee Report

The committee is moving forward with the Community College Alignment Project. Board of Regents members are very interested in this project and would like to see a common alignment. Ms. Johnson hopes to present the project to the Board in March where she will introduce Maurice Pittman who is assisting with the project.

The committee has received some special review requests relating to public safety, police officers, and librarians. Since all departments are being reviewed, special requests will not be honored.

Ms. Johnson emphasized the Compensation Calendar dates.

C. Review of Insurance for Graduate Assistants

The University of Tennessee surveyed Graduate Assistants and found that they preferred an insurance benefit to increased compensation. Dr. Adams asked TBR university sub-council members to let Board staff know how many graduate assistants they have so that the cost of this benefit could be calculated for TBR.

D. Other Insurance

Mr. Posey inquired if persons with AFLAC cancer insurance policies could be grandfathered into the new cancer policy. Ms. Johnson replied that that is the recommendation.

E. Employee Scholarship Program

Mr. Cothorn inquired of sub-council members whether specialized fees were covered under the program. Most campuses cover every fee required at registration. This does not include special course fees or RODP fees.

The Finance Committee was asked to review any required fees not being covered.

The minutes of the Human Resources Officers were approved with the exception of the Post Retirement Incentive Program.

5. Regional Nodes

Dr. Collins and Ms. Stinson reported that ETSU, NSTCC, and TTC-Elizabethton are working together in three basic areas: business, academic, and student affairs. One goal is for students to transition easily from one institution to another.

They also reported ways that they have pooled their resources and saved money and are exploring the possibility of a regional data center.

Dr. Adams requested from the Business Officers suggestions for alignments among Board institutions for similar projects.

6. Other

Copies of the THEC rules for tuition refunds for activated reserve and National Guard personnel were distributed. All institutions reported that they are refunding all fees for activated students and are prorating dormitory charges. Everyone was also encouraged to issue a refund for books, if possible, and to work with contracted bookstores and food service vendors concerning refunds.

Dr. Adams handed out a summary of Computer Services Renewal and Replacement fund balances. He stressed that some funds for this purpose must be included in the next budget cycle. An explanation will be required if funds are not included in current year and 2003-04 budget proposals.

A copy of a memo concerning Special Course Fees sent to Presidents was distributed. All the justification does not have to be submitted at this time. These fees are intended for high-cost, high-demand programs.

It was pointed out that UT **does** charge out-of-state tuition fees on distance learning courses. There had been some misunderstanding on this point.

A memo from the Commissioner of Finance and Administration was distributed. At this

time, the memo does not apply to TBR or UT.

There being no further business, the BASC adjourned.

GUIDELINE G-110

SUBJECT: Lead Institutions

Each community college and technical institute governed by the State Board of Regents serves as the lead institution for a geographical area designated by the Board as the institution's

primary service area. As outlined below, the lead institution's general responsibilities include program planning within its primary service area, as well as providing administrative assistance to the area vocational-technical schools within its designated area. There is no plan on the part of the Board of Regents to merge TTCs with lead institutions. The role of the lead institution is that of facilitator; budget management, program management, and personnel management is the responsibility of the TTC. Additional lead institution responsibilities may be specified by the Board or Chancellor to ensure effective program coordination and operations management within the primary service areas.

Program Planning

The lead institution is responsible for coordinating the development and delivery of vocational-technical, career, and job training programs and support services in its primary service area. To fulfill this responsibility, the general objectives of the lead institution, in cooperation with the area schools, are to meet the needs within its service area for: (1) occupational and academic diagnostic services; (2) developmental education in the basic skills; (3) job/vocational education and occupational training; (4) special business and industrial training; (5) technical education at the sub-baccalaureate collegiate level or the non-collegiate entry level; (6) job placement and counseling; (7) college transfer (community college only); and (8) continuing education and community service. The Board staff shall provide assistance to the lead institutions and area schools in developing such plans as the Job Training and Coordination Plan and programs as may be necessary to provide, cause to provide, or recommend the provision of appropriate levels of sub-baccalaureate education and training services.

Administrative Services

The lead institution administrative service responsibility will include accounting, budgeting, purchasing, personnel, and student records. For the performance of these services, the TTC will reimburse the lead institution for services on the basis of student enrollment and consideration of cost to provide such services. Charges for services provided by the lead institution will be evaluated annually. Effective coordination of services from the lead institution to the TTC will require regularity of meeting and communication. At a minimum, it is expected that representatives of both parties meet on a monthly basis to review status of services and required reporting to the Board. Following is a summary of minimum services provided:

- Accounting and Budgeting - The lead institution provides support and guidance in budget development and revisions as per Board policies and guidelines. In addition, monthly revenue and expenditure reports will be provided to each TTC. These reports will be reconciled by the TTC no later than the 20th day of the following month. The operating account maintained at the TTC will be reconciled by the TTC with the lead institution, at a minimum, monthly.

Annual financial reports will be prepared by the lead institution. The annual report will be presented to the TTC prior to submittal to the Board Office. Problems encountered in accounting, budgeting, and fiscal management, if not resolved at the local level, should be reported to the Vice Chancellor for Vocational-Technical Education. Any request for approval of a budget revision, involving adjustments from one functional area to another, must be transmitted to the Chancellor.



Purchasing - The lead institution will purchase supplies and equipment from specifications provided by the TTC. The TTC will maintain an operating account, not to exceed ~~\$10,000~~ **\$15,000**, for purchasing supplies and materials at the local level. The TTC may bid items at the local level to limits established by TBR and Lead Institution purchasing policies and procedures. These accounts will be reconciled by the TTC on a monthly basis with the lead institution. The lead institution will maintain an equipment inventory for the TTC after the director has certified the accuracy and presence of items in the inventory on an annual basis.



Personnel - The lead institution will provide support in hiring personnel, maintaining personnel records, including required reports to the Board and other external agencies, and performing the payroll for the TTCs. In hiring personnel, the role of the lead institution is to provide support in developing, distributing, and/or advertising position announcements, and monitoring affirmative action procedures. The responsibility for selecting personnel is with the TTC director, subject to Board policies and guidelines relating to the district classification/compensation plans, faculty salary ranges, and availability of funds in the budget. New positions not included in the budget, must be approved in advance by the Chancellor. The lead institution and TTC shall mutually agree on which entity actually prepares and submits reports on personnel records, including leave, payroll deductions, longevity pay, affirmative action, EEO reports, and Board-approved benefits. The TTC will follow the affirmative action plan of the lead institution unless it has in place a plan approved by the Board legal counsel.



Student Records - The lead institution will maintain records and provide reports to the TTCs and the Board on required student information. The TTC has the responsibility to provide to the lead institution student data in the prescribed format for processing.



Student Financial Aid - The lead institution will provide guidance to the TTC staff on financial aid program operations, assist in processing payment approval documents, prepare award checks and forward them to the TTC, maintain required accounting records, and accept and maintain records on repayments collected by the TTC. The TTC will maintain individual student financial aid records, forward appropriate payment approval documents to the lead institution, and disburse checks to students. The lead institution will complete appropriate reports requiring financial aid fiscal records for the TTC from information furnished by the TTC.



Institutional Research - The lead institution performs various research activities for the TTC. These activities will include, but are not limited to, the following:

Assist in preparation and justification for new program proposals.

Provide assistance and support for annual Facilities Inventory and Capital Improvements requests.

Provide assistance with the preparation of the Annual Report.



Provide support and direction for the Lead Institution Job Training Coordination Plan and annual update.



Provide support and guidance for the TTC Five-Year Strategic Plan and annual updates.



Assistance and guidance with preparation of the Budget Summary and Analysis.

November 14, 1984 SBR presidents meeting and November 16, 1984, AVTS Sub-Council meeting. Revised: August 16, 1988, Presidents Meeting; September 22, 1989 (Result of Change Made to Purchasing Policy); August 25, 1998 Presidents Meeting.