

BUSINESS AFFAIRS SUB-COUNCIL

January 28, 2009

MINUTES

The meeting began at 9:00 a.m. at the MTSU Miller Coliseum Club Room. Present were Ms. Cynthia Brooks (TSU); Ms. Charlene Brown (DSCC); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Ms. Beth Cooksey (VSCC); Mr. John Cothorn (MTSU); Mr. Danny Gibbs (RSCC); Mr. Mike Gower (MTSU); Ms. Sharon Hayes (UOM); Mr. Ken Horner (COSCC); Dr. Charles Hurley (CLSCC); Mr. Tim Hurst (APSU); Dr. Rosemary Jackson (WSCC); Mr. Ron Kesterson (PSTCC); Ms. Linda Maxwell (TTU); Mr. Ron Parr (SWCC); Mr. Mike Posey (MSCC); Mr. Mitch Robinson (APSU); Dr. Claire Stinson (TTU); Ms. Tammy Swenson (CSTCC); Mr. Greg Wilgocki (ETSU); Mr. David Zettergren (UOM); Ms. Kathy Crisp, Mr. Tom Danford, Ms. Alicia Gillespie, Ms. Tammy Gourley, Ms. Angela Gregory, Ms. Deanna Hall; Ms. Debbie Johnson, Ms. Pat Massey, Mr. Ron Ostenfeld, Mr. Dale Sims, Mr. Ron Simmons, and Ms. Renee Stewart (TBR).

Mr. Gibbs introduced Mr. Dale Sims as the interim Vice Chancellor for Business and Finance.

Mr. Sims informed the committee that we still do not have any information in regards to the tuition increase. We will not know whether we have to use the Tier I or Tier II funding until after the governor's budget is released.

Mr. Sims also discussed removing the tuition cap. The Board has approved the removal of the tuition cap; however, we still have not decided how this will be implemented. For analysis purposes, we are using the Tier II funding level as our starting point.

1. Report of the Committees

A. Finance Committee

Dr. Collins highlighted the following issues from the January 8, 2009 Finance Committee meeting.

- Banner A/R Purge Program

The committee discussed the Banner A/R purge program. The current purge program uses the registration date as the purge date instead of the actual date the student is purged. This makes the June 30th audit program inaccurate if the students were purged after June 30th. The committee discussed the issues and agreed to approve a modification to the purge program.

- Audit of NCAA Schedules

The committee discussed the proper classification of general fund support on NCAA schedules. State Audit had questioned whether several institutions had properly classified the General Fund Support. Several institutions included it as

Item 6-Direct State or Other Governmental Support rather than Item 7-Direct Institutional Support. The definition of Item 6-Direct State or Other Governmental Support includes state, municipal, federal and other government appropriations made in support of the operations of intercollegiate athletics. The definition of Item 7-Direct Institutional Support includes institutional resources for the current operations of intercollegiate athletics, as well as all unrestricted funds allocated to the athletic department by the university. Because TBR policies prevent the use of state appropriations for athletics, the committee agreed that General Fund Support should be classified as Item 7.

- Tuition Per Hour

The committee discussed the tuition per hour and its effect on the refund policy. The only change to Guideline B-060 is that a paragraph will be deleted in Section XII. (Attachment A)

The committee also discussed changes that need to be made to Guideline B-060. Any references to the 12 hour tuition cap need to be removed from the guideline. The guideline will be reviewed and changes will be made at the next Finance meeting.

- Continuing Education

The committee discussed the budget analysis form used for reporting continuing education expenses. A question had been raised regarding the amount spent on continuing education, particularly administrative costs. The committee also discussed what costs are being reported on this form and it appeared that there were inconsistencies among the institutions.

A survey has been sent to the institutions to determine what expenses are being included on the budget analysis form. The survey results will be distributed at the next Finance meeting.

- Moving Expenses

The committee discussed moving expenses that are referenced in Guideline P-010 and Policy 5-01-00-00, Attachment A. The policy states that if an institution spends more than \$5,000 then the institution must pay the vendor directly using normal purchasing procedures. The form states that there needs to be justification when the amount exceeds \$5,000. Several institutions found the justification requirement helpful and agreed not to change the guideline or policy.

- Guideline B-060

The committee discussed changes to Guideline B-060 Fees, Charges, Refunds and Fee Adjustments. The committee added language to the appeals process section. The new language states that the appeal process should provide for final appeal to the president or director, or his or her designee. (Attachment B)

- Credit Card Usage Fee

The committee discussed a credit card usage fee. This fee would cover the cost of the convenience fee that is charged by banks for credit card transactions. The committee agreed that it would not be a good time to charge this fee.

- Financial Aid Audits

The committee discussed the audit of financial aid at community colleges. State Audit will no longer perform financial aid audits at the community colleges, but may perform an analytical review instead. Institutions are concerned about the impact this will have on SACS reviews.

Ms. Gourley has spoken with State Audit and they are still unwilling to perform financial aid audits. In order to comply with SACS regulations, the audits cannot be performed by internal auditors. Therefore, the audit needs to be performed by either the state auditors or an outside agency. If State Audit refuses to change its position, it was recommended that we look at a system-wide contract for an external auditor.

The Finance Committee minutes, with the guideline revisions, were approved.

B. Council of Buyers

Ms. Gregory highlighted the following issues from the January 14, 2009 Council of Buyers meeting.

- Budget Crisis – Communicating With Major Groups

The committee discussed ways that the institutions could collaborate on goods/services for additional savings in an effort to weather the state-imposed budget cuts. Some of the items discussed were as follows:

- Copiers
- Custodial Items
- Toner and Paper
- Brokerage Firms that manage service agreements

Ms. Gregory asked the committee to e-mail her its current copier contract information (i.e. cost per copy, current provider, term, etc.).

Ms. Gregory had a conference call with the Library Directors on January 22, 2009. This group requested the call to look at more collective bidding and consolidation of sole source procurements into master agreements for additional savings.

- National IPA/Group Purchasing Organizations

Ms. Gregory informed the committee that TBR has learned that National IPA is part of Horizon Resource Group. After further evaluation of its incorporation documents, TBR has requested an Attorney General opinion on whether we can contract with National IPA under the Interlocal Purchasing Act, as well as further guidance from the Attorney General's Office on contracting with cooperatives. Ms. Gregory instructed the committee to continue to not use National IPA until TBR has received information from the Attorney General's Office.

- RFP Updates

Ms. Gregory informed the committee that she is currently working on both the cancer insurance and temporary staffing RFP's for Human Resources. She is also finalizing the Allied Health insurance contract, which should be completed by March.

- UPS Agreement

Ms. Gregory informed the committee that UPS lost the State contract. The statewide contract is now with FedEx. Unless your institution has a separate agreement with UPS, you should be using FedEx.

- Finance and Administration Website

Ms. Gregory informed the committee that we no longer have access to view rules and regulations on the F&A website, because they have moved that information to their intranet. Therefore, you must contact them directly if you have any questions on any of their regulations.

The Council of Buyers minutes were approved.

C. Human Resources

Ms. Johnson highlighted the following issues from the January 15, 2009 Human Resource Officers Committee meeting.

- Race and Ethnicity Codes Changes

The committee discussed new race categories, coding and issues due to federal regulation changes. A script from Sungard is currently under development, which may be able to pull this information. The program will require you to identify ethnicity first and race second. The regulation changes require that existing employees as well as new employees are surveyed.

- Updates From Legal

- Family Medical Leave Act – The Office of General Counsel, along with TBR HR, are reviewing changes to the FMLA policy. New forms for FMLA should be taken from the Department of Labor website at www.dol.gov.
 - E-Verify – This has been extended until May 21, 2009. Everyone should review the federal contract, and if E-Verify is required then the employees will need to go through this process.
- Update on Roth 401(k) and 403(b) Plans

Mr. Ostenfeld discussed the January 1, 2009 addition of Roth contributions to the State of Tennessee's 401(k) Plan. The Benefits Committee recommended that communications regarding the addition to the State of Tennessee's 401(k) Plan be developed and circulated by the campus. Materials are available on the State of Tennessee website for use. Great West is also available for employee meetings.

Mr. Ostenfeld also discussed the current status of the TBR 403(b) Retirement Plan changes. Included were the status of the contracts with the approved providers, the procedures for processing transactions including enrollment packets and participation agreements, and a final system-wide employee announcement on the plan that should be sent out in February. This announcement will also meet our Universal Availability Notice requirement for the 2009 plan year.

For employees who have been notified that their vendor is no longer available, they may change vendors in January by choosing from the system-wide vendors for the 2009 plan year: ING, AIG, and TIAA-CREF.

- 415(c) Limit Review

Mr. Ostenfeld discussed how to implement new 415(c) limit regulations regarding the aggregation of contributions for employees contributing to another employer-sponsored plan of which they have a controlling ownership interest. He proposed changes to the Deferred Compensation Guideline (P-045) and the need to require all 403(b) participants to acknowledge each year if they are contributing to another employer-sponsored plan of which they have a controlling ownership interest. No objections were raised to the proposed changes to the Guideline or a new process of gathering data.

- State Health Insurance Changes

Mr. Ostenfeld reviewed recently proposed changes to the design of the State of Tennessee's Health Insurance. Possible changes include the carve out of the pharmacy benefit, the changing of the tier structure from employee only and family, to employee, employee plus spouse, employee plus children or family, as well as the possible redesign of the plan to make the choices more like a customer driven health plan. There will be more on these changes if and when the State

Insurance Committee further reviews recommendations and any impact on the plans offered.

- Fringe Benefits Management Company Debit Card

The debit card for FBMC will be mailed in March 2009 for use on April 1, 2009. The IRS has tightened up rules on the use of the debit card and FBMC may ask for additional information to be sent in to FBMC from the individual employee after use of the card (i.e. receipts).

- Increase in Leave Being Taken Due to Conditions of Family Members

Campuses are reporting an increase in the number of employees who are taking FMLA, sick leave and leave without pay due the illnesses of family members. Use of the sick leave bank is only for personal illnesses. Mr. Ostefeld asked if the committee felt as if there should be a change in the transfer of sick leave from one employee to another to allow for use due to ill family members. The Benefits Committee recommended that the change not be pursued at this time and the committee agreed after much discussion.

- Proposed Change to Educational Assistance Guideline

Mr. Ostefeld reviewed the five types of educational assistance guidelines and the need for approval by the Chancellor, President, or Director. It had been requested that this be changed in the guideline to allow the Chancellor, President, or Director “or their designee” to approve. The Benefits Committee recommended that the change be made.

The HR Officers minutes, with the guideline revisions, were approved.

D. Internal Audit

Ms. Gourley highlighted the following issues from the January 22, 2009 Internal Auditors meeting.

- Chief Executive Expense Audits

Because audits of chief executives are performed by an auditor from another institution, a two-year rotation cycle has been in place (auditors rotate to a new institution after two years). The group asked for consideration of a longer rotation cycle to improve efficiency, considering the due date of the audits. This matter will be considered and communicated to the group at a later time. The group was encouraged to perform interim tests from the quarterly reports of expenses to decrease audit time needed at year-end.

The group discussed concerns about the lack of guidance from the system on activities and/or expenses for spouses of chief executives. System-Wide Internal

Audit will research potential policies and discuss this concern with TBR management.

The audits will be due to System-Wide Internal Audit by August 26, 2009.

- Information Reported to Fiscal Review

The group discussed information currently submitted by TBR to the Joint Legislative Fiscal Review Committee, including the following:

- Internal Audit Follow-Up Reports on State Audit Findings (4 copies of these reports should be submitted to TBR when completed)
- Management's Responses to Other Matters reported by State Audit (non-findings)
- Risk Assessments

- TAF Guideline Revisions

The group discussed changes in the audit frequency for TAF expenditures that were approved by the Audit Committee and the Board during the last quarter. The revised guideline will be posted on the TBR website. (Attachment C)

- TTC Audits

The group discussed the audit approach to be used on technology center audits. The TTC internal auditor will incorporate technology access fee testwork into the TTC audit program, thereby allowing community college auditors more time for completing audit work on their campuses. Audits of TTC enrollment data will be considered for auditing by the TTC auditor after additional review and discussion with the TBR Research Office and THEC. The group discussed including audits of director's expenses in future audits and this will be taken under consideration in the next two years.

The Internal Auditors minutes were approved.

2. **Identity Theft Prevention Policy/Red Flag Rules**

The committee discussed the proposed policy to comply with the FTC Red Flag Rules. The committee recommended three changes to the proposed policy:

- Section 6 – Delete the requirement to file a Suspicious Activities Report (SAR).
- Section 8 – Delete the listing of employee functions.
- Section 8 – Delete the second paragraph regarding annual training for employees.

A question was raised regarding the applicability of the Red Flag Rules to foundations. Ms. Crisp stated that she would investigate the issue and inform the committee of her findings. Subsequent to the meeting, Ms. Zimmerman responded that the foundations would need to examine the definitions included in the regulations to determine if the Red

Flag Rules applied to them.

Ms. Stinson stated that she would research available training opportunities on this subject.

Subsequent to the meeting, the revised policy was approved by the business officers. (Attachment D)

3. Dual Enrollment RODP Students

The committee discussed the pilot program for dual enrollment RODP students. Currently the RODP online fee is being paid from a grant. Therefore, the schools have to make manual entries on these students' accounts in order to for their accounts to reflect a zero balance. Since this is a pilot program, there are not many students whose accounts are affected by this. However, if there is legislation to expand the pilot program, we need to request that enough money is included in the grant to allow for the expense of Banner modifications so that manual entries will not be required.

4. Banner/Sungard Issues

Mr. Danford informed the committee that Lynn Derrick is the new Sungard account representative for TBR.

Mr. Danford also informed the committee that Sungard will discontinue supporting our current version of Banner in 2010. It will take at least 20 months for us to upgrade. Mr. Danford recommended that we investigate the possibility of upgrading to Banner Version 9.0 instead of implementing an intermediary Version 8. Banner Version 9.0 is expected to be announced in March, and further investigation of this upgrade will be conducted at that time.

GUIDELINE B-060

SUBJECT: Fees, Charges, Refunds and Fee Adjustments

The purpose of the following guideline is to outline significant provisions for consistent administration of fees, charges, and refunds at the institutions governed by the Tennessee Board of Regents. These guidelines largely represent a consolidation of existing statements and practices. They are intended to serve as a reference document for institutional staff responsible for implementing and communicating fee-related matters. The guideline contents include general and specific provisions for: maintenance fees; out-of-state tuition; debt service fees; student activity; miscellaneous and incidental fees; deposits; residence hall fees; and refunds.

These guidelines supersede all previous fee and refund guidelines, and may be revised by action of the Tennessee Board of Regents or the Chancellor. Exceptions to the guidelines may be made by the Chancellor upon written request by the president, or technology center director through the Vice Chancellor for Technology Centers.

I. General Provisions

A. Establishment of Fees and Charges

1. The Tennessee Board of Regents must establish or approve all institutional and technology center fees and charges unless specific exceptions are provided. The Board has adopted a practice of approving changes in fees and charges one time per year at the Board meeting when the annual operating budgets are considered. This is usually the regular June meeting of the Board.
2. The institution president or technology center director is responsible for the enforcement and collection of all fees and charges. Fees and charges which specifically do not require Board approval must receive formal approval by the president or designee, in the case of the technology centers, the Vice Chancellor for Technology Centers.
3. Institutions should attempt to follow a general format in publishing information on fees and charges, including but not limited to the following:
 - a. All statements which include the fee amount should be complete and specific enough to prevent misunderstanding by readers.
 - b. When a fee is quoted, the refund procedures should be clearly stated. If there are qualifying conditions for refunds, those conditions also should be stated. If there is no refund, it should be labeled as non-refundable.
 - c. Whenever possible, specific dates related to the payment of fees and the refund procedures should be stated.

- d. It should be made clear that all fee levels and conditions are subject to change at any time.

B. Approval of Exceptions

In accordance with these guidelines, the president of an institution or designee has the authority to determine the applicability of certain fees, fines, charges, and refunds, and to approve exceptions in instances of unusual circumstances or for special groups. The Vice Chancellor for Technology Centers shall have this authority for the technology centers. All such actions should be properly documented for auditing purposes.

C. Appeals Process

An appeals process should be established by each institution and technology center, and communicated to students, faculty, and staff. The process should provide for final appeal to the president or director. Separate appeals processes may exist for different types of fees, charges, and refunds.

D. Payment of Student Fees

1. As provided in the Tennessee Board of Regents Policy on Payment of Student Fees and Enrollment of Students (No. 4:01:03:00):

An applicant for admission to an institution will be considered and counted as a student when all assessed fees have been paid in cash, when the initial minimum payment due under the deferred payment plan has been paid, or when an acceptable commitment from an agency or organization approved by the institution has been received by the institution. An applicant shall possess an acceptable commitment when he/she has timely submitted an application(s) for financial aid with the reasonable probability of receiving such.

Pursuant to the above condition, institutions with a continuous registration process must require payment of all applicable fees or payment of the initial minimum payment due under the deferred payment plan prior to the regular registration period as defined by each institution. Students who do not prepay all fees or have an acceptable approved financial aid deferment will forfeit pre-registration privileges and must enroll under the normal registration process.

2. A prepayment plan to assist parents and students with planning and budgeting their academic year expenses is authorized. Under the plan, students may choose the expenses they wish to prepay including room, board, tuition, and fees. Expenses can be prepaid over a period of eight months.

II. Maintenance Fees

A. Description of Fees

1. The Maintenance Fee is a charge to students enrolled in credit courses. It is an enrollment or registration fee and is calculated based on the number of Student Credit Hours (SCH's) for universities and two-year institutions or student contact hours for technology centers for which the student enrolls, up to a maximum full-time charge. Fees are established by the Tennessee Board of Regents.
2. The same fee is applicable to courses for which the student is enrolled on an audit basis.

B. Rates

1. Rates are established by the Board and incorporated in a fee schedule that groups specific full-time and part-time fees; by type of institution (two-year institutions; APSU, ETSU, MTSU, TSU, and TTU; and UOM); and by course/program level (undergraduate and graduate). Developmental courses are charged at the two-year institution hourly rate with the maximum not to exceed the home institution's established full-time rate.
2. Part-time rates are applied based on the level of credit for the course (regular or developmental) and the level of credit for the course, regardless of student level. If a student, part-time or full-time, enrolls in both regular and developmental courses, the rates shall be assessed at the part-time hourly rate for each, with the maximum not to exceed the established full-time rate of the home institution. In an instance where a course may be taken for undergraduate or graduate credit, the student shall pay the rate of the level of credit sought. If a student, part-time or full-time, enrolls in both undergraduate and graduate courses, the rates shall be assessed at the course/program level, with the maximum not to exceed the established graduate full-time rate.
3. Maximum fees may not apply to special offerings between terms, for concentrated courses during a term, or at specific off-campus locations when the institution determines that the course(s) should not be included for purposes of determining maximum fees.
4. For institutions with multiple summer sessions, maintenance fees and tuition may be assessed by using the current part-time rate with no maximum amount for total credit hours enrolled.
5. Maintenance fees may not be waived. However, specific exceptions are provided in the following instances:
 - a. Pursuant to TCA 49-7-113, exceptions exist for certain disabled and elderly students, as well as state service retirees. For audit courses, no fee is required for persons with a permanent, total disability,

persons 60 years of age or older and domiciled in Tennessee, and persons who have retired from state service with 30 or more years of service, regardless of age. For credit, a fee of \$70 per semester or \$60 per trimester may be charged to persons with a permanent, total disability, and persons who will become 65 years of age or older during the academic quarter or semester in which they begin classes and who are domiciled in Tennessee. (Note: This fee includes maintenance fees, student activity fees, technology access fees, and registration fees; it does not preclude an application fee, late fee, change-of-course fee, parking fee, special course fee, etc.). This only applies to enrollment on a space available basis, which permits registration no earlier than four (4) weeks prior to the first day of classes.

b. Pursuant to TCA 49-7-102, certain statutory fee exceptions exist for dependents and spouses of military personnel killed, missing in action, or officially declared a prisoner of war while serving honorably as a member of the armed forces during a period of armed conflict. If these provisions are invoked by a student, the correct applicable law should be determined.

6. Military reserve and national guard personnel who are mobilized to active military service within six months of attendance at a TBR institution and whose mobilization lasts more than six months shall be charged upon reenrollment at such institution the tuition, maintenance fees, student activity fees and required registration or matriculation fees that were in effect when such student was enrolled prior to mobilization. After reenrollment, no increase in tuition, maintenance fees, student activity fees or required registration or matriculation fees shall be assessed to such student until a period of time equal to one year plus the combined length of all military mobilizations has elapsed. In no event, however, shall a student's tuition and fees be frozen after reenrollment for more than four years.

To be eligible for the tuition and fee freeze, the student shall have completed military service under honorable conditions and shall reenroll in a TBR institution within six months of release from active duty.

A student eligible for the tuition and fee freeze may transfer from one state institution of higher education to another state institution of higher education one time with such student's tuition and fees calculated at the institution to which the student transfers as if the student had been in attendance at that institution before the mobilization that resulted in the student's tuition and fee freeze at the initial institution.

C. Accounting Treatment

1. A revenue account for Maintenance Fees is used to record both the revenue assessed and refunds made.

2. As provided in GASB Statements 34 and 35, summer school revenues and expenditures must be accrued at fiscal year-end. Summer school activity will not be allocated to only one fiscal year.
3. In some cases full fees are not assessed to students. These occur when statutes establish separate rates for such groups as the disabled, elderly, and military dependents. The difference between normal fees and special fees is not assessed. Fees not assessed in these cases do not represent revenue. For administrative purposes the fees may be calculated and credited to revenue, then written off against a contra revenue account.
4. Agreements/contracts may be executed with a third party (federal agency, corporation, institution, etc.), but not with the individual student, to deliver routine courses at a fixed rate or for the cost of delivering the course and may provide for fees not to be charged to individual students. Individual student fees will be assessed as usual and charged to the functional category Scholarships and Fellowships. The amount charged to or paid by the third party is credited to the appropriate Grants and Contracts revenue account.
5. In some cases a non-credit course provides an option to grant regular credit. If a separate (or additional) fee is collected because of the credit, that amount is reported as Maintenance Fee revenue.
6. Full-time employees of the Tennessee Board of Regents and the University of Tennessee systems may enroll in one course per term at any public postsecondary institution, with fees waived for the employee. No tuition paying student shall be denied enrollment in a course because of enrollment of TBR and UT employees. Spouses and dependents of employees of the Tennessee Board of Regents system may be eligible for a student fee discount for undergraduate courses at Tennessee Board of Regents institutions (including technology centers) and the University of Tennessee.

Tennessee Board of Regents institutions exchange funds for tuition fees of employees' spouses and dependents who participate in a Tennessee Board of Regents educational assistance program. Effective Fall term 1990, the charging and exchanging of funds for maintenance fee discounts between Tennessee Board of Regents institutions and the University of Tennessee shall begin. To the extent they are not reimbursed by the State, fee waivers for full-time State employees and fee discounts to children of certified public school teachers shall be accounted for as a scholarship.

III. Out-of-State Tuition

A. Description of Fee

1. This is an additional fee charged to students classified as non-residents who are enrolled for credit courses, including audit courses. This fee is in addition to the maintenance fee.

2. Out-of-state tuition fee rates are established by the Tennessee Board of Regents and are incorporated in the annual fee schedule.
3. This fee is the same for graduates and undergraduates at all institutions and includes a rate per student credit hour with a maximum fee. The maximum does not apply to special offerings in the same cases that the maximum maintenance fee does not apply.
4. Applicability of out-of-state tuition is determined pursuant to Tennessee Board of Regents Policy on Regulations for Students In-State and Out-of-State for the Purpose of Paying College or University Fees and Tuition and for Admission Purposes (No. 3:05:01:00). The business office will collect fees based upon student classification as determined by the appropriate authority within the institution.

B. Accounting Treatment

1. A revenue account for out-of-state tuition is used for recording both credits for fees and debits for refunds.
2. Other accounting is the same for out-of-state tuition as that outlined under Maintenance Fees except that separate out-of-state accounts are used. In the case of fees not collected from students under grants and contracts, the same expense account under Scholarships and Fellowships may be used.

IV. Debt Service Fees

- A. The amount of debt service fees will be approved by the Tennessee Board of Regents. Separate rates are recommended by each institution based on requirements of the institution.
- B. For simplicity of administration and communication, institutions may combine debt service with maintenance fees in quoting fee rates, in fee billings and charges, and in making refunds.
- C. Revenue from debt service fees will be recorded in the unrestricted current fund and then transferred to the retirement of indebtedness fund as either a mandatory transfer or a non-mandatory transfer. The portion of debt service fee revenue used for current-year debt service will be reported as a mandatory transfer. Any additional debt service fee revenue will be transferred to the retirement of indebtedness fund as a non-mandatory transfer.

V. Student Fees

- A. A student government activity fee may be established pursuant to T.C.A. § 49-8-109. Any increase in this fee shall be subject to a referendum for student body approval or rejection. The fee will be administered in accordance with the provisions adopted by each institution. These fees will be restricted current funds

additions. These fees are refundable on the same basis as maintenance fees or as established by the institution.

- B. Student activity fees (other than student government activity fees) will be approved by the Tennessee Board of Regents. Such fees may be recommended by each institution based on services to be provided which are related to the activity fee. These fees will be unrestricted current funds revenues. These fees are refundable on the same basis as maintenance fees or as established by the institution.

VI. Specialized Academic Fees

Certain academic programs require expensive maintenance/updating of equipment and software and the employment of highly qualified staff. The high costs of instruction for these programs can be offset by establishing specialized academic fees, with the Board's approval. To receive approval for a specialized academic fee, a program will be required to meet criteria A, High Cost of Instruction as defined below. Additionally, the program should document meeting criteria B-G, as applicable.

- A. High Cost of Instruction. Programs qualifying for charging specialized academic fees must demonstrate that they are more costly than other programs offered by the institution. If appropriate, the extraordinary cost of the program must be validated including benchmarking with similar programs in the region and nation.
- B. High Demand. The number of students enrolled in the program and the student credit hours generated are sufficient to justify additional fees.
- C. High Cost of Updating/Maintaining Equipment and Software. Programs qualifying for charging specialized academic fees are expected to be those that require extensive maintenance and regular updating of equipment and/or software, all of which are very expensive. An average hardware/software cost per student credit hour serves as the basis for determining the amount of the fee.
- D. Accreditation. Meeting standards of specific accrediting agencies may also qualify a specialized program for charging specialized academic fees. The accrediting standards that justify a fee are those that specify the possession and use of certain equipment and unique software that are extraordinarily costly and/or the employment of faculty with specific credentials that demand high salaries.
- E. High Recognition and Quality. The programs approved for specialized academic fees are expected to be distinctive and with a regional or national reputation. The program must demonstrate that it has achieved exceptional recognition in its particular enterprise.
- F. High Value to Tennessee. The program must demonstrate that it is a good investment for the State of Tennessee to justify charging extra fees to the student. The program should be distinctive and not one duplicated in other TBR institutions and should be of integral value to Tennessee. The graduates' earning potential and the associated benefit to the state economy should be projected, as well as the efforts taken by the institution to aid graduates in finding appropriate employment in Tennessee.

- G. Impact on Affected Students. Through surveys, questionnaires, or other suitable means, the program must demonstrate that the charging of additional fees will not diminish enrollment. The program should demonstrate that enrolled students realize that the potential earning power in the work force justifies their additional investment.

Institution must submit documentation of the above applicable criteria when requesting approval of a specialized academic fee.

VII. Miscellaneous Course Fees

All miscellaneous fees must be approved by TBR. Fees for courses requiring special off-campus facilities or services do not require Board approval but should reflect the cost of the facilities or services.

VIII. Incidental Fees and Charges

A. Uniform Rates and Policies

Institutions

The following fees will be uniformly charged (or, if applicable, to the extent that they remain within the set range) at all institutions both as to the amount and condition of assessment. Charges are subject to approval by the Tennessee Board of Regents.

1. Application Fee: Undergraduate - Not less than \$5.00 nor more than \$25.00. Graduate - Not less than \$5.00 nor more than \$35.00. ETSU College of Medicine and College of Pharmacy – Not less than \$50 or more than \$100. This is a non-refundable fee paid by an individual who applies for admission to the institution. A student is required to pay this fee when he/she applies for admission as a graduate student even if the student attended a TBR institution as an undergraduate student. Additionally, the student is required to pay this fee when he/she applies for admission to a doctoral-level program after receiving a masters-level degree from the institution.
2. Graduation Fee: This fee shall be assessed according to degree level as follows and shall include the cost of the diploma and rental of academic regalia:

Associate Degree	\$25.00
Baccalaureate	30.00
Master and Specialist	35.00
Doctor and Juris Doctor	45.00

The fee is refundable only if the institution has incurred no costs on the student's behalf. Other items may be included in the fee, as determined by the institution. Additional fees may be charged for optional graduation-related activities or services.

3. Late Exam Fee: None

Institutions and Technology Centers

4. Returned Check Fee: \$30.00 per check - nonrefundable. All institutions will charge a returned check fee that is the maximum set by state law. This fee will apply to all returned checks received by the institution, whether from students, faculty, staff, or other parties. The Board will review state statutes each spring to determine any changes.

Technology Centers

Each technology center will assess a nonrefundable fee for individual instructional projects pursuant to a schedule approved by the Tennessee Board of Regents.

B. Other Fees and Charges Subject to Board Approval

Institutions

The following fees may be assessed by all institutions. Specific rate recommendations will be developed separately by each institution for approval by the Tennessee Board of Regents. In review of the recommendations, the Board staff will consider the consistency of fees for comparable services among institutions.

1. Motor Vehicle Registration - nonrefundable. A fee may be levied by each institution per academic year, per fiscal year and/or per academic term for motor vehicle registration, and such fee shall be applicable to each student, faculty and staff member.
2. Campus Access Fee - At institutions where registration of specific vehicles is not necessary and where traffic control is not a significant concern, a campus access fee may be assessed in lieu of a motor vehicle registration fee. It is refundable on the same basis as maintenance fees or as established by the institution.
3. Post Office Box and/or Postal Service Fee - nonrefundable. There may be a charge for the U.S. Post Office box or for any special arrangements for delivery of U.S. mail and it will be applicable to any person who has a U.S. Post Office box or who has made special arrangements through which regular U.S. mail may be received.
4. Traffic Fines - nonrefundable. These fines will apply to all employees and students.
5. Applied Music Fees. This fee is charged for private music lessons or small group training sessions. It is refundable on the same basis as maintenance fees or as established by the institution.

6. Late Registration Fee. A late registration fee up to \$100 will be charged during the entire period of late registration. The effective date of the fee will be determined by each institution.
7. Facilities Fee. This fee will be used to improve facilities and fund expenditures such as replacing carpets in student lounges, remodeling classrooms, etc. The fee would not be used for routine maintenance or new construction, but would be used to make improvements to areas that have an impact on students. The intended projects will be disclosed during the normal budget cycles. The fee is refundable on the same basis as maintenance fees.

Institutions and Technology Centers

1. (A) Technology Access Fee - A fee shall be levied by each institution for the purpose of providing student access to computing and similar technologies. It is refundable on the same basis as maintenance fees or as established by the institutions.

(B) A detailed spending plan of the funding generated by the access fee shall be submitted during the July budget process for approval by the Chancellor or his designee. Revisions to approved spending plans that expand existing projects or add new projects must be approved by the Chancellor or the Chancellor's designee. At the end of the fiscal year, a summary of the actual money generated and actual use of the money shall be submitted during the financial statement process for review by the Chancellor or his designee.

(C) In both the spending plan and the actual expenditure of the technology access fee as indicated in (B) above, institutions shall report designated expenditure accounts and designated revenue accounts for purposes of recording technology access fees and expenditures.

2. Transcript Fee. There will be no charge for transcripts; however, institutions and technology centers shall set a limit on a reasonable number of copies at any one time and may establish a nonrefundable charge for the cost of copying transcripts in excess of that number.

C. Fees and Charges to be Established and Administered by the Institution

The following fees and charges may be established and administered by each institution. No specific approval or notification to the Tennessee Board of Regents will be required unless subject to other Board or State requirements. The institution or technology center will establish appropriate refund policies. Technology center fees and charges in this category must be approved by the Vice Chancellor for Technology Centers.

1. Sales of goods and services of a commercial nature, including bookstores, food services, vending, laundry and similar activities.

2. Rental of non-student housing and facilities.
3. Admissions fees to athletic and other events open to the public, including special events sponsored by campus organizations and activities.
4. Sales and services of educational activities such as clinical services, publications, etc.
5. Registration for conferences, institutes, and non-credit activities (see X.D.).
6. Fees for use of campus facilities for recreational purposes.
7. Parking permits and parking meters for use by guests and visitors.
8. Technology centers may assess a fee for specific school instructional projects to defray incidental costs incurred by the technology center in performing the project.
9. Nonrefundable library fines, which will apply to students, faculty, staff, and other library users.
10. Thesis and dissertation fee - nonrefundable. The fee will be determined based upon cost to the institution.
11. Child Care Fees - Kindergarten, Preschool, Early Childhood, Day Care, or similarly defined activities. The refund policy will be established by the institution.
12. Special Exam Fee - nonrefundable. The fee will be determined based upon cost to the institution.
13. Standardized Test Fees - nonrefundable. The fee will be determined based upon the cost for administering the tests.
14. Identification Card Replacement - nonrefundable. There will be no charge for the original identification card. A fee may be set by each institution to offset the cost of replacing the card. This fee applies only to student ID cards and not to faculty and staff ID's.
15. Change of Course or Section Fee - nonrefundable. If the change is caused by the institution, there will be no charge for the change. If two or more forms are used at one time, they will be treated as one change/form. Institutions may waive the fee for schedule changes.

IX. Deposits

- A. Breakage deposits may be recommended by the institution for Board approval for courses in which it can be shown that there is a reasonable chance of loss or damage

to items issued to students. The amount of the deposit should be related to the materials issued and subject to a 100% refund.

- B. A deposit may be established by the institution for rent or lease of buildings and facilities or for the issuance of other institutional property or equipment. Deposits should be subject to a 100% refund if no damage or loss occurs. The amount of such deposits should be related to the value of the facilities or equipment subject to loss and the general ability of the institution to secure reimbursement should loss or damage occur.
- C. Pursuant to Tennessee Board of Regents Policy on Student Residence Regulations and Agreements (No. 3:03:01:00), each institution is authorized to require a security deposit for residence hall facilities which may be forfeited by the student for failure to enter into a residence agreement or non-compliance with applicable agreement terms.

X. Student Residence Hall and Apartments

All regular and special rental rates for student dormitories and student apartments will be approved by the Tennessee Board of Regents upon the recommendation of the institution. A \$5.00 late payment fee shall be assessed. Each institution may recommend special rates for non-student groups during summer periods, etc.

Pursuant to Tennessee Board of Regents Policies on Student Resident Regulations and Agreements (No. 3:03:01:00) and Payment of Student Fees and Enrollment of Students (No. 4:01:03:00), rental for student dormitory or residence hall units shall be payable in full in advance of the beginning of a term. However, each institution shall offer an optional payment plan under which a prorated amount of the rental shall be payable monthly in advance during the term. Specific provisions for the payment plan must comply with those cited in Policy No. 3:03:01:00. A monthly service charge and a late payment charge may be assessed. Residence Hall students can participate in either the deferred payment plan (Guideline B-070) or the optional monthly housing payment plan. Each institution has the option of allowing students to participate in both the deferred payment plan and the optional monthly housing payment plan.

XI. Other Fee and Charge Considerations

Institutions and technology centers may submit for Board of Regents approval fees and charges not specifically covered by those guidelines when the establishment of a fee or charge is justified by the institution.

- A. Fees may be established to control the utilization of facilities and services or to offset the cost of extraordinary requirements as a result of specific programs or activities. [Reference Tennessee Board of Regents Policy on Use of Campus Property and Facilities (No. 3:02:02:00).]
- B. When fees and charges are incorporated in agreements with outside contractors and vendors, specific rates, refunds and conditions must be clearly stated.

- C. Fees for auxiliary services must take into consideration that Auxiliary Enterprises should be a break-even operation with rates and charges generating revenue sufficient to cover all expenses as defined in operating budget guidelines.
- D. Fees established for non-credit courses and activities shall be sufficient to cover the total costs incurred in providing instruction plus a minimum of 25% of the annual instructional salary costs including contractual salary costs or personal services contracts.
- E. Students enrolled for six or more hours are eligible for full-time privileges, i.e., access to social, athletic, and cultural functions, pursuant to T.C.A. § 49-8-109.

XII. Refunds and Fee Adjustments

Adjustments to all fees and charges must be in accordance with the following provisions except as previously stated, or when required by federal law or regulation to be otherwise.

Pursuant to T.C.A. § 49-7-2301 and 49-7-2302, students called to active military or National Guard service during the semester are entitled to a 100% adjustment or credit of mandatory fees. Housing and meal ticket charges may be prorated based on usage.

A. Maintenance Fee Refunds and Adjustments

1. Refunds are 100% for courses canceled by the institution.
2. Changes in courses involving the adding and dropping of equal numbers of SCH's for the same term at the same time require no refund or assessment of additional maintenance fees. The change of course fee would be applicable.
3. The fee adjustment for withdrawals or drops during regular terms (fall and spring) is 75% from the first day of classes through the fourteenth calendar day of classes and then reduced to 25% for a period of time which extends 25% of the length of the term. There is no fee adjustment after the 25% period ends. Students enrolling in more than a full-time course load receive the benefit of additional course work at no additional cost. Dropping or withdrawing from classes during either the 75% or the 25% fee adjustment period will result in a fee adjustment of assessed maintenance fees based on the total credit hours of the final student enrollment as described in item 10 below.
4. For summer sessions and other short terms, the 75% fee adjustment period and the 25% fee adjustment period will extend a length of time which is the same proportion of the term as the 75% and 25% periods are of the regular terms.
5. All fee adjustment periods will be rounded to whole days and the date on which each fee adjustment period ends will be included in publications. In calculating the 75% period for other than the fall and spring and in calculating the 25% length of term in all cases, the number of calendar days

during the term will be considered. When the calculation produces a fractional day, rounding will be up or down to the nearest whole day.

6. A full refund (100%) is provided on behalf of a student whose death occurs during the term. Any indebtedness should be offset against the refund.
7. A 100% refund will be provided for students who enroll under an advance registration system but who drop a course or courses prior to the beginning of the first day of class.
8. A 100% refund will be provided to students who are compelled by the institution to withdraw when it is determined that through institutional error they were academically ineligible for enrollment or were not properly admitted to enroll for the course(s) being dropped. An appropriate official must certify in writing that this provision is applicable in each case.
9. When courses are included in a regular term's registration process for administrative convenience, but the course does not begin until later in the term, the 75%/25% fee adjustment periods will be based on the particular course's beginning and ending dates. This provision does not apply to classes during the fall or spring terms which may meet only once per week. Those courses will follow the same refund dates as other regular courses for the term.
10. The fee adjustment is calculated as the difference between (1) the cost of originally enrolled hours and (2) the per credit hour cost of the courses at final enrollment after adjustments have been applied for all courses dropped. Adjustments are calculated at the full per credit hour rate less the fee adjustment credit at the applicable fee adjustment percentage (regardless of the original number of hours enrolled) with total costs not to exceed full-time tuition. For students dropping courses resulting in a change from full-time status to part-time status, a fee adjustment in the tuition and fees will result only if the new calculated charges are less than the original charges. Not all drops/withdrawals will result in a fee adjustments
- ~~11. For institutions utilizing SIS Plus during academic year 2008, a one year exception is granted for the application of refund calculations as specified in A(10) above. These institutions will apply the refund percentages to the difference between the per hour rate (or maximum) for the number of course hours immediately before the drop or withdrawal and the number immediately afterward as calculated by the SIS Plus program.~~

B. Out-of-State Tuition Refunds and Fee Adjustments

The fee adjustment provision for out-of-state tuition is the same as that for maintenance fees. The 75% fee adjustment period and the 25% fee adjustment period will follow the same dates as the fee adjustment periods for maintenance fees. When 100% of maintenance fees are refunded, 100% of out-of-state tuition also is refunded. Calculation procedures are the same as those specified for maintenance

fees, including the exception for institutions utilizing SIS Plus during academic year 2008.

C. Debt Service Fee Refunds

Debt service fees will be subject to the same refund policy as maintenance fees.

D. Student Residence Hall/Apartment Rent and Deposit Refunds

1. Refund of residence hall rent after registration will be prorated on a weekly calendar basis when the student is forced to withdraw from the residence hall: (1) because of personal medical reasons confirmed in writing by a licensed physician, or (2) at the request of the institution for other than disciplinary reasons. Full refund will be made in the case of the death of the student. Withdrawals for other reasons will be subject to the same 75%/25% amounts and time periods as maintenance fees. No refund will be made other than under the above conditions.
2. Residence hall reservations and breakage deposits will be refunded in full if: (1) the institution is notified by a specific date which it establishes, but which may not be later than 14 calendar days prior to the first official day of registration, (2) the student is prevented from entering the university because of medical reasons confirmed in writing by a licensed physician, or (3) residence hall space is not available. Full refund also will be made in the case of the death of the student.

E. Meal Plan Refunds

Each institution with meal plans should develop appropriate refund procedures.

Source: December 2, 1977 TBR meeting. Revised March 14, 1980 TBR meeting; November 13, 1991 presidents meeting; November 8, 1982 presidents meeting; July 1, 1984; November 1, 1988; May 15, 1990 presidents meeting; August 14, 1990 presidents meeting; November 10, 1992 presidents meeting; August 10, 1993 presidents meeting; November 9, 1993 presidents meeting; August 9, 1994 presidents meeting; May 8, 1995 presidents meeting, August 8, 1995 presidents meeting, November 8, 1995 presidents meeting, February 6, 1996 presidents meeting, May 14, 1996 presidents meeting, November 12, 1996 presidents meeting, May 6, 1997 presidents meeting, July 16, 1997 called Board meeting, November 5, 1997 presidents meeting, February 17, 1998 presidents meeting via conference call, August 25, 1998 presidents meeting, May 9, 2000 presidents meeting, August 8, 2000 presidents meeting, November 8, 2000 presidents meeting, February 13, 2001 presidents meeting, August 21, 2001 presidents meeting, May 21, 2002 presidents meeting, February 11, 2003 presidents meeting, May 20, 2003 presidents meeting, February 10, 2004 presidents meeting, August 17, 2004 presidents meeting, February 8, 2005 presidents meeting, May 17, 2005 presidents meeting, February 8, 2006 presidents meeting, May 16, 2006 presidents meeting, August 16, 2006 presidents meeting, May 15, 2007 presidents meeting, August 21, 2007 presidents meeting, November 6, 2007 presidents meeting.

Guideline B-060 Appeals

the refund procedures should be stated.

- d. It should be made clear that all fee levels and conditions are subject to change at any time.

B. Approval of Exceptions

In accordance with these guidelines, the president of an institution or designee has the authority to determine the applicability of certain fees, fines, charges, and refunds, and to approve exceptions in instances of unusual circumstances or for special groups. The Vice Chancellor for Technology Centers shall have this authority for the technology centers. All such actions should be properly documented for auditing purposes.

C. Appeals Process

An appeals process should be established by each institution and technology center, and communicated to students, faculty, and staff. The process should provide for final appeal to the president or director, **or his or her designee**. Separate appeals processes may exist for different types of fees, charges, and refunds.

D. Payment of Student Fees

1. As provided in the Tennessee Board of Regents Policy on Payment of Student Fees and Enrollment of Students (No. 4:01:03:00):

An applicant for admission to an institution will be considered and counted as a student when all assessed fees have been paid in cash, when the initial minimum payment due under the deferred payment plan has been paid, or when an acceptable commitment from an agency or organization approved by the institution has been received by the institution. An applicant shall possess an acceptable commitment when he/she has timely submitted an application(s) for financial aid with the reasonable probability of receiving such.

Pursuant to the above condition, institutions with a continuous registration process must require payment of all applicable fees or payment of the initial minimum payment due under the deferred payment plan prior to the regular registration period as defined by each institution. Students who do not prepay all fees or have an acceptable approved financial aid deferment will forfeit pre-registration privileges and must enroll under the normal registration process.

2. A prepayment plan to assist parents and students with planning and budgeting their academic year expenses is authorized. Under the plan,

students may choose the expenses they wish to prepay including room, board, tuition, and fees. Expenses can be prepaid over a period of eight

Technology Access Fee Guidelines

The TAF should be used by TBR institutions for direct student benefit, for items such as new and improved high technology laboratories and classrooms, appropriate network and software, computer and other equipment, and technological improvements that enhance instruction.

- Computers and other technical laboratory supplies, equipment, software and maintenance.
- Network costs (WWW, internet, interactive video, etc.)
- "Smart" or multi-media classroom equipment and classroom modifications
- Lab and course staffing – student and staff assistance for lab and classroom uses; universities are limited to a 12% maximum (Pool 2 current-year TAF revenues) and student employees only; community colleges are limited to 25% maximum (Pool 2 current-year TAF revenues) for student or staff employees.
- Renewal and replacement reserves as necessary.
- New machines for faculty use when faculty are actively engaged in developing and conducting on-line courses.
- Faculty and staff development directly related to the introduction or application of new technology which impacts students. These guidelines should have the flexibility to place instructional technology in a faculty lab where course materials are being prepared. For example, TAF funds can be used to create faculty labs to include the purchase of computers and to conduct faculty training and course development. (Travel costs for faculty and staff are excluded; however, consultants may be hired as needed for training.)
- Infrastructure (wiring, network, servers, etc.) necessary to provide students maximum computing capability. A ceiling is established of 50% of the total project costs from which technology access fees can be used.
- Expand technology resources in library, i.e., video piped anywhere on campus, interactive video room for distance education, network for web video courses.

Effective July 1, 2005, institutions may use Technology Access Fee (TAF) revenues for the purpose of supporting the financing of the implementation of the Banner Enterprise Resource Planning (ERP) project. Use of TAF funds for this purpose is limited to a maximum of 25% of the annual revenue collected at universities, community colleges and technology centers. Use of TAF fees for the ERP project must be disclosed and justified in the annual spending plan which requires approval by the Board. The provision for use of TAF fees for this special purpose is limited to a maximum of five (5) fiscal years or completion of the ERP project implementation, whichever comes first. Compliance with these guidelines will be audited by the internal audit staff and reported to the Board as determined by the internal auditor's annual risk-based planning process or other appropriate means.

DRAFT

Proposed TBR Policy 4-01-05-60

IDENTITY THEFT PREVENTION POLICY

SECTION 1: BACKGROUND

The risk to the institutions of the Tennessee Board of Regents (hereinafter referred to as "Institutions"), its faculty, staff, students and other applicable constituents from data loss and identity theft is of significant concern to the Board and its Institutions, and the Institutions should make reasonable efforts to detect, prevent, and mitigate identity theft.

SECTION 2: PURPOSE

The Tennessee Board of Regents, on behalf of its Institutions, adopts this Identity Theft Prevention Policy and enacts this program in an effort to detect, prevent and mitigate identity theft, and to help protect the Institutions, their faculty, staff, students and other applicable constituents from damages related to the loss or misuse of identifying information due to identity theft.

Under this Policy the program will:

1. Identify patterns, practices or specific activities ("red flags") that could indicate the existence of identity theft with regard to new or existing covered accounts (defined below in Section 3);
2. Detect red flags that are incorporated in the program;
3. Respond appropriately to any red flags that are detected under this program to prevent and mitigate identity theft;
4. Ensure periodic updating of the program, including reviewing the accounts that are covered and the identified red flags that are part of this program; and,
5. Promote compliance with state and federal laws and regulations regarding identity theft protection.

The program shall, as appropriate, incorporate existing TBR and institutional policies and guidelines such as anti-fraud programs and information security programs that control reasonably foreseeable risks.

SECTION 3: DEFINITIONS

"Covered account" includes:

1. any account that involves or is designated to permit multiple payments or transactions; or
2. Any other account maintained by the Institution for which there is a reasonably foreseeable risk of identity theft to students, faculty, staff or other applicable constituents, or for which there is a reasonably foreseeable risk to the safety or soundness of the Institution from identity theft, including financial, operational, compliance, reputation or litigation risks.

"Identifying information" is any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including but not limited to: name, address, telephone number, social security number, date of birth, government issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number, student identification number, computer Internet Protocol address or routing code, credit card number or other credit card information.

“Identity theft” means a fraud committed or attempted using the identifying information of another person without authority.

“Red flag” is a pattern, practice or specific activity that indicates the possible existence of identity theft.

SECTION 4: IDENTIFICATION OF RED FLAGS

The following examples of red flags are potential indicators of fraud or identity theft. The risk factors for identifying relevant red flags include the types of covered accounts offered or maintained; the methods provided to open or access covered accounts; and, previous experience with identity theft. Any time a red flag or a situation closely resembling a red flag is apparent, it should be investigated for verification.

Alerts, notifications or warnings from a credit or consumer reporting agency. Examples of these red flags include the following:

1. A report of fraud or active duty alert in a credit or consumer report;
2. A notice of credit freeze from a credit or consumer reporting agency in response to a request for a credit or consumer report;
3. A notice of address discrepancy in response to a credit or consumer report request; and,
4. A credit or consumer report indicates a pattern of activity inconsistent with the history and usual pattern of activity of an applicant such as:
 - A recent and significant increase in the volume of inquiries;
 - An unusual number of recently established credit relationships;
 - A material change in the use of credit, especially with respect to recently established credit relationships; or,
 - An account that was closed for cause or identified for abuse of account privileges by a financial institution or creditor.

Suspicious documents. Examples of these red flags include the following:

1. Documents provided for identification that appear to have been altered, forged or are inauthentic.
2. The photograph or physical description on the identification document is not consistent with the appearance of the individual presenting the identification.
3. Other information on the identification is not consistent with information provided by the person opening a new covered account or individual presenting the identification.
4. Other information on the identification is not consistent with readily accessible information that is on file with the Institution, such as a signature card or a recent check.
5. An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

Suspicious personal identifying information. Examples of these red flags include the following:

1. Personal identifying information provided is inconsistent when compared against other sources of information used by the Institution. For example:
 - The address does not match any address in the consumer report; or,
 - The Social Security number (SSN) has not been issued or is listed on the Social Security Administration's Death Master File.
2. Personal identifying information provided by the individual is not consistent with other personal identifying information provided by that individual. For example, there is a lack of correlation between the SSN range and date of birth.
3. Personal identifying information provided is associated with known fraudulent activity. For example:
 - The address on an application is the same as the address provided on a fraudulent application; or,
 - The phone number on an application is the same as the number provided on

- a fraudulent application.
- 4. Personal identifying information provided is of a type commonly associated with fraudulent activity. For example:
 - The address on an application is fictitious, a mail drop, or a prison; or
 - The phone number is invalid or is associated with a pager or answering service.
- 5. The social security number provided is the same as that submitted by another person opening an account.
- 6. The address or telephone number provided is the same as or similar to the address or telephone number submitted by that of another person.
- 7. The individual opening the covered account fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.
- 8. Personal identifying information provided is not consistent with personal identifying information that is on file with the Institution.
- 9. When using security questions (mother's maiden name, pet's name, etc.), the person opening that covered account cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report.

Unusual use of, or suspicious activity related to, the covered account.
 Examples of these red flags include the following:

1. Shortly following the notice of a change of address for a covered account, the Institution receives a request for a new, additional, or replacement card, or for the addition of authorized users on the account.
2. A covered account is used in a manner that is not consistent with established patterns of activity on the account. There is, for example:
 - Nonpayment when there is no history of late or missed payments;
 - A material change in purchasing or usage patterns.
3. A covered account that has been inactive for a reasonably lengthy period of time is used (taking into consideration the type of account, the expected pattern of usage and other relevant factors).
4. Mail sent to the individual is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the individual's covered account.
5. The Institution is notified that the individual is not receiving paper account statements.
6. The Institution is notified of unauthorized charges or transactions in connection with an individual's covered account.
7. The Institution receives notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts held by the Institution.
8. The Institution is notified by a employee or student, a victim of identity theft, a law enforcement authority, or any other person that it has opened a fraudulent account for a person engaged in identity theft.
9. A breach in the Institution's computer security system.

SECTION 5: DETECTING RED FLAGS

Student enrollment. In order to detect red flags associated with the enrollment of a student, the Institution will take the following steps to obtain and verify the identity of the individual opening the account:

1. Require certain identifying information such as name, date of birth, academic records, home address or other identification; and.
2. Verify the student's identity at the time of issuance of the student identification card through review of driver's license or other government-issued photo identification.

Existing accounts. In order to detect red flags associated with an existing account, the Institution will take the following steps to monitor transactions on an account:

1. Verify the identification of students if they request Information;
2. Verify the validity of requests to change billing addresses by mail or email, and provide the student a reasonable means of promptly reporting incorrect billing address changes; and,
3. Verify changes in banking information given for billing and payment purposes.

Consumer/Credit Report Requests. In order to detect red flags for an employment or volunteer position for which a credit or background report is sought, the Institution will take the following steps to assist in identifying address discrepancies:

1. Require written verification from any applicant that the address provided by the applicant is accurate at the time the request for the credit report is made to the consumer reporting agency; and
2. In the event that notice of an address discrepancy is received, verify that the credit report pertains to the applicant for whom the requested report was made and report to the consumer reporting agency an address for the applicant that the Institution has reasonably confirmed is accurate.

SECTION 6: RESPONDING TO RED FLAGS

Once a red flag or potential red flag is detected, the Institution must act quickly with consideration of the risk posed by the red flag.

The Institution should quickly gather all related documentation, write a description of the situation and present this information to the Program Administrator for determination.

The Program Administrator (see Section 8) will complete additional authentication to determine whether the attempted transaction was fraudulent or authentic.

The Institution may take the following steps as is deemed appropriate:

1. Continue to monitor the covered account for evidence of identity theft;
2. Contact the student or applicant for which a credit report was run;
3. Change any passwords or other security devices that permit access to covered accounts;
4. Close and reopen the account;
5. Determine not to open a new covered account;
6. Provide the student with a new student identification number;
7. Notify law enforcement;
8. Determine that no response is warranted under the particular circumstances.
9. Cancel the transaction.

SECTION 7: PROTECTING PERSONAL INFORMATION

In order to prevent the likelihood of identity theft occurring with respect to covered accounts, the Institutions may take the following steps with respect to its internal operating procedures:

1. Lock file cabinets, desk drawers, overhead cabinets, and any other storage space containing documents with covered account information when not in use.
2. Lock storage rooms containing documents with covered account information and record retention areas at the end of each workday or when unsupervised.
3. Clear desks, workstations, work areas, printers and fax machines, and common shared work areas of all documents containing covered account information when not in use.
4. Documents or computer files containing covered account information will be destroyed in a secure manner. Institution records may only be destroyed in accordance with the Board's

- records retention guideline, TBR Guideline G-070 *Disposal of Records*.
5. Ensure that office computers with access to covered account information are password protected.
 6. Ensure that computer virus protection is up to date.
 7. Avoid the use of social security numbers.
 8. Utilize encryption devices when transmitting covered account information.

Institutional personnel are encouraged to use common sense judgment in securing covered account information to the proper extent. Furthermore, this section should be read in conjunction with the Family Education Rights and Privacy Act ("FERPA"), the Tennessee Public Records Act, and other applicable laws and policies. If an employee is uncertain of the sensitivity of a particular piece of information, he/she should contact his/her supervisor. The Office of the General Counsel may be contacted for advice.

SECTION 8: PROGRAM ADMINISTRATION

Oversight and Appointment of the Institutional Program Administrator

The Identity Theft Prevention Policy is the responsibility of the governing body, the Tennessee Board of Regents. Approval of the initial plan must be appropriately documented and maintained.

Each individual institution is required to tailor this program taking into consideration its size, complexity, and nature of its operation. Each institution will consider the types of accounts it offers and maintains, the methods it provides to open those accounts, the methods it provides to access its accounts and its previous experience with identity theft.

Operational responsibility of the program at each individual institution is delegated to a Program Administrator appointed by the President or Director and shall include but not be limited to the oversight, development, implementation and administration of the program; approval and implementation of needed changes to the program; and, staff training. The Program Administrator is also responsible for ensuring that appropriate steps are taken for preventing and mitigating identity theft, for reviewing any staff reports regarding the detection of red flags, and for determining which steps should be taken in particular circumstances when red flags are suspected or detected.

A report to the Institution's President or Director should be made annually concerning institutional compliance with and effectiveness of the program, and the responsibility for such report may be placed with the Program Administrators. This report should address service provider arrangements, the effectiveness of the program in addressing the risk of identity theft; significant incidents of identity theft and the institution's response; and, any recommendations for material changes to the program.

Staff training

Staff training shall be conducted for all employees for whom it is reasonably foreseeable, as determined by the Program Administrator, may come into contact with covered accounts or identifying information.

Periodic Updates to the Program

At periodic intervals established in the program, or as required, the program will be re-evaluated to determine whether all aspects of the program are up to date and applicable. Consideration will be given to the Institution's experiences with identity theft situations; changes in identity theft methods, detection methods or prevention methods; and, changes in the Institution's business arrangements with other entities.

Periodic reviews will include an assessment of which accounts are covered by the program.

As part of the review, red flags may be revised, replaced or eliminated. Defining new red flags may also be appropriate.

Actions to take in the event that fraudulent activity is suspected or discovered may also require revision to the program.

Overview of service provider arrangements

It is the responsibility of the Institution to ensure that the activities of all service providers are conducted in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identify theft. In the event the Institution engages a service provider to perform an activity in connection with one or more covered accounts, the Institution will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft.

1. Require, by contract, that service providers have such policies and procedures in place; and,
2. Require, by contract, that service providers review the Institution's program and report any red flags to the Program Administrator.

Specific language for inclusion in contracts can be found in TBR Guideline G-030 *Contracts and Agreements*.

A service provider that maintains its own identity theft prevention program, consistent with the guidance of the red flag rules and validated by appropriate due diligence, may be considered to be meeting these requirements.