**BUSINESS AFFAIRS SUB-COUNCIL**

**January 27, 2010**

**MINUTES**

The meeting began at 9:00 a.m. in the MTSU Miller Coliseum. Present were Ms. Debra Bauer (NaSCC); Mr. Steve Campbell (NeSCC); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Ms. Beth Cooksey (VSCC); Mr. Danny Gibbs (RSCC); Mr. Mike Gower (MTSU); Mr. Ken Horner (CoSCC); Dr. Charles Hurley (ClSCC); Mr. Tim Hurst (APSU); Dr. Rosemary Jackson (WSCC); Mr. Kent Jetton (DSCC); Mr. Ron Kesterson (PSCC); Mr. Ron Parr (STCC); Mr. Mitch Robinson (APSU); Dr. Claire Stinson (TTU); Ms. Tammy Swenson (ChSCC); Ms. Velma Travis (DSCC); Mr. Greg Wilgocki (ETSU); Mr. Jeff Young (TTU); Mr. David Zettergren (UOM); Ms. Kathy Crisp, Mr. Tom Danford, Ms. Alicia Gillespie, Ms. Tammy Gourley, Ms. Deanna Hall; Ms. Lisa Hall, Ms. Pat Massey, Ms. Chris Modisher, Mr. Ron Ostenfeld, Ms. Brooke Shelton, Mr. Dale Sims, and Ms. Renee Stewart (TBR).

**1. <u>Report of the Committees</u>**

**A. Finance Committee**

Dr. Collins highlighted the following issues from the January 14, 2010 Finance Committee meeting.

- Guideline B-060

  The committee discussed the provision in Guideline B-060 governing the calculation for a drop and add performed on the same day. Banner was charging a penalty for courses added and dropped on the same day. However, Banner mod 27 was implemented so that a drop and add on the same day would require no refund or additional fees. Mod 27 took care of this issue for the spring semester but the committee discussed whether to keep the guideline the same for future semesters.

  After further discussion, the committee agreed to keep the guideline the way it is. The committee also agreed to keep Banner mod 27 and go forward with it.

- Mod 27 Issues

  The committee discussed the continuing issues with Banner mod 27 and any related policy/guideline revisions. IT personnel were in attendance to discuss questions concerning Banner mod 27. A handout was distributed that identified all parts of the mod relating to fee assessment. (Attachment A)

  After further discussion of Banner mod 27, it was determined to ask the bursars at the campuses to review Banner mod 27 since they were familiar with the issues and provide a listing of any issues and recommended changes.

- Mixed Career

  The committee discussed the impact of graduate students paying graduate rates for undergraduate courses and the appropriate course of action. Beginning in the fall of 2009, the tuition cap was removed. The removal of the cap impacted mixed career students taking more than a full load. It had been determined that the tuition rate would be based on student level rather than course level. At least two institutions awarded scholarships for this group of students last fall for the differential amount but will not do so in the future.

  The Student Affairs Sub Council has been concerned about the cost to the mixed career students and suggested that the Finance Committee explore some options. The committee discussed several options. One suggestion was to not let graduate courses be taken until undergraduate courses are completed or students could register as a special undergraduate student. Another option would be to implement a mod which was deemed expensive by TBR IT personnel. It was discussed that the graduate schools may have to pay for the costs of the mod.

  Upon further discussion, the committee felt that there was no need for a change to this policy and that Dale Sims would talk to the Academic and Student Affairs Sub Council about this issue.

  During the Business Affairs meeting a question was raised regarding the possibility of allowing the institution to choose between charging based on student level or course level. Mr. Sims requested that a proposal be put in writing and vetted with the other universities. The proposal should include any changes to the wording of the guideline as well as a description of how the process would work.

- E-Rate Proposal

  The committee discussed the proposed changes to Guideline B-060 to implement an E-Rate for the out-of-state students taking online courses exclusively. (Attachment B) For these students, the E-Rate is composed of the maintenance fee and a 50% markup that represents the out-of-state portion. The committee discussed how Banner will handle this rate. One institution will have a special flag for these students and will then run a program to ensure that these students are not taking a course on campus. The program identifies if the student is taking a course on campus. If so, the program will pull their names onto a report. The student will then have their fees reassessed by a manual adjustment.

  Another issue is the applicability of other university fees. It was noted that presidents have the authority to determine the applicability of other fees and may waive them in special cases if deemed appropriate.

  The guideline requires a method to mitigate any negative impact on the opportunity for Tennessee student enrollment in online courses. ETSU noted at this point, they did not see this as an issue as it would normally be easy to open a new section if needed.

Upon further discussion, ETSU said they would check with their campus to see if there is a uniform method of setting students up and monitoring those that are exclusively online out-of-state students. ETSU will forward their process to all other institutions for informational purposes.

- Out-of-State Tuition Rates

  The committee discussed the current out-of-state rates and actions that should be taken in future years. UOM was concerned about the excessive cost of out-of-state tuition. They feel that the cost has been unreasonable and they are not able to attract out-of-state students. The committee discussed the state subsidy in relation to the out-of-state rate.

  After further discussion, UOM agreed to have someone at their campus review out-of-state rates for several states.

- Discount Rate

  The committee discussed the tuition discount rate for students enrolled in 13 or more undergraduate hours (11 or more graduate hours). The committee was told that the discussions with the Board Finance Committee regarding potential fee increases and changes to the discount rate will occur at the next meeting held at the end of January. Several presidents are in favor of removing the discount rate over the next several years.

  The committee discussed that the goal of the discount rate was to help part-time students not carry the burden of cost and not subsidize full-time students. The committee felt that it should be looked at every year.

- Findings and Weaknesses

  The committee was given all findings and weaknesses published since the last quarterly Finance Committee meeting. There were three audit reports released in the last quarter with one finding. The finding dealt with reporting errors on the Foundation’s financial statements and the notes to the financial statements. (Attachments C and D)

The Finance Committee minutes were approved.

## B. Human Resources

Mr. Ostenfeld highlighted the following issues from the January 14, 2010 Human Resource Officers Committee meeting.

- FMLA Policy Revisions

  The committee was presented a complete revision to the FMLA Policy – 5:01:01:14 due to recent changes in the statute and regulations. The committee asked if some clarifications could be made and sent out with the final draft. Ms. Zimmerman encouraged everyone to continue to use the FMLA forms from the Department of Labor website.

- Parental Leave

  Mr. Ostenfeld reviewed the provision of the Parental Leave Policy dealing with the use of sick leave to determine if clarification on the limit of 30 days is needed. After much discussion, it was decided to have some clarification added to the policy. A draft will be presented in the next cycle.

- Maximum Number of Credit Hours for Part-Time Adjunct Faculty to Teach per Semester/Year

  Mr. Ostenfeld reviewed the rules regarding the maximum number of hours adjunct faculty can teach per semester and per year. The committee also discussed the use of non-exempt employees teaching as adjuncts. The committee requested that the TBR HR office work with Academic Affairs to determine if further guidance can be issued on these subjects.

- Use of Administrative Leave for TBR Employees Participating in the Employee Assistance Program

  Mr. Ostenfeld reviewed a request from the Director of the EAP on the use of administrative (paid) leave for employees that are participating in EAP programs or counseling. Due to the confidentiality of such usage and communication issues with any directive on this issue, the Benefits Committee recommended that we continue to treat this as we have in the past. The HR Officers committee agreed with the recommendation of the Benefits Committee.

- Update on Optional Retirement Plan

  Mr. Ostenfeld gave an update on the Optional Retirement Plan. An RFP was issued and three vendors were chosen: TIAA-CREF, ING, and VALIC. Current members will be required to re-enroll. Discussions between Treasury, UT, and TBR are ongoing on the process and timeline. The Committee asked for more information on this subject and for regular updates from the TBR HR office as this process moves forward.

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

### C. Internal Audit

Ms. Gourley highlighted the following issues from the January 22, 2010 Internal Auditors meeting.

- Audit Software

  The committee was presented with a comparison of two leading audit software packages for consideration. The group discussed the benefits of using audit software and whether demonstrations of the software would be helpful in determining whether to seek an RFP for the software. The Director of Systemwide Audit will discuss the demonstrations with the TBR Procurement Officer and report back to the group before proceeding.

- President Expense Audits

  A schedule of assignments for the FY 2010 presidential expense audits was distributed. There was some discussion on whether auditors should be assigned to an audit for more than three years. Systemwide Internal Audit's current procedure is to rotate auditors for these audits at least every three years. The group also discussed the due date for the FY 2010 presidential expense audit reports, which is currently August 26, 2010. Because of the difficulty in completing the audits with such a tight turnaround, the group asked for consideration of other options. The Director of Systemwide Internal Audit will evaluate other options and report back to the group.

- Restitution Issues During an Investigation

  The committee discussed offers of restitution during an investigation. Generally, agreements of restitution should be considered by management. Brenda Burkhart provided formats for a Receipt and Disclaimer Agreement used by MTSU for such cases. Auditors should discuss the process for restitution with the campus Chief Business Officer and General Counsel so that it is understood by all parties involved.

- Risk Assessment

  Ms. Gourley reminded the committee that we are coming up on the end of the cycle of reviewing all processes. Therefore, we need to determine how we want to proceed with risk assessment in the future. Ms. Gourley asked for volunteers to form a committee to discuss the future of the process. Any interested institutions should contact Ms. Gourley.

The Internal Auditors minutes were approved.

## 2. <u>Fair Labor Standards Act</u>

The U.S. Department of Labor performed an audit at TTU based on an employee complaint regarding exempt vs. non-exempt employees. The audit revealed that several employees who were classified as exempt should have been classified as non-exempt. Some of these positions had absorbed non-exempt responsibilities due to budget/position cuts. These duties had become the main focus of the position, so non-exempt became the correct categorization. The institution was required to pay back wages for these employees, and since there were no records of overtime worked by these employees, the Department of Labor based the back-pay on the word of the employees.

The Department of Labor said that they would be looking at TBR as a single employer instead of individual institutions as separate entities. Therefore, any other problems that are found would include fees and penalties. The TBR Human Resources Office will provide a workshop at the end of March to instruct institutions on how to perform an FLSA audit on exempt/non-exempt employees. It was suggested that institutions pay particular attention to areas such as IT, coaching, etc. because these could be vulnerable areas for misclassifications.

Ms. Modisher provided instructions for viewing FLSA materials on the TBR website. (Attachment E)

**3. <u>Staples Contract – Rebate vs. Price Discount</u>**

Staples has again won the bid for the office supply contract. Our current contract with them includes a rebate. However, they have offered an alternative option on pricing. We can either continue to receive our annual rebate or we can choose to receive additional discounts on the purchase prices of items. The rebate amount is currently capped at $10 million volume. However, there would be no cap on an additional 6% discount off of purchase prices. We are also trying to negotiate a higher discount for larger volumes.

Currently, most campuses place the rebate in their general revenue accounts. Therefore, the departments on the campus do not directly receive any benefit from the rebate. If we were to switch to the discounts on purchase prices, the departments would receive a direct benefit by ordering from our preferred vendor.

**4. <u>Banner/Sungard Issues</u>**

Mr. Danford updated the committee on his meeting with the Student Affairs Sub Council. There are currently five or six institutions who are interested in an optical imaging system on their campus. The available Sungard system may not be compatible with outside projects. APSU is currently working on an RFP for an optical imaging system and Mr. Danford suggested that it would be beneficial for the campuses to work together on purchasing the system.

Mr. Danford was asked if there was a scheduling of space software that was predominately used. Mr. Danford stated that Resource 25 is used most by TBR institutions, but that there was also Event Management Systems (EMS) scheduling software.

The committee was reminded that we have a limited use Oracle license for Banner and related software. TBR legal staff has reviewed Banner associated software and feels that they are defensible for our Oracle license. Other additional software has not been reviewed and may leave an institution open to liability. The committee was reminded that as third-party software is obtained, it should come with its own database or Oracle component. This issue is still uncertain in many areas, and as we gain clarity on the issue we will communicate further.

The committee was also informed of federal legislation that now requires the posting of textbook information on the web at the time of registration. The effective date of the new law is July 1, 2010.

Ms. Crisp gave the committee some information on where they could read more about the law. She directed the committee to an online article that would help clarify the law at http://www.aacrao.org/transcript/index.cfm?fuseaction=show_view&doc_id=4134. Subsequent to the meeting, Ms. Crisp also sent the committee some information that the General Counsel's Office had distributed to the Academic Officers. (Attachment F)

**5. SACUBO Update**

The committee was reminded that the annual SACUBO conference will be in Nashville April 25-27, 2010. Everyone was encouraged to attend due to the proximity of the meeting and the benefits of networking with other college and university business officers.

Dr. Collins also reminded the committee of the SACUBO Drive-In Workshop in Knoxville on February 15-16, 2010.

**6. Board Finance Committee**

Mr. Sims reminded the committee of the telephonic Board Finance Committee meeting on January 28, 2010. This meeting is for informational purposes only and we will not be asking for any type of action.

The committee also discussed the discount rate. It was suggested that we consider a multi-year plan to either eliminate the discount rate or get it to a lower percentage goal, such as 50%.

**7. Campus Security**

A question was raised if there was any merit to a forum for discussion on campus security. The possibility of making this an agenda item at each meeting to discuss legislation or best practices was suggested. It was decided that anyone with best practices should e-mail them to all business officers.

The meeting was adjourned at 11:30 a.m.

## FEE ASSESSMENT

The following items are the original enhancements to the Banner fee assessment baseline process incorporated within TBR-027.

The original enhancements are:

1. Two flags to control part of term usage within course hours swapping:

   a. A custom term control setting to indicate course hours swapping is limited to being within the same part of term.

      Example:

      - Course credits dropped and similar credits added in the same part of term cancel each other out.

   b. A custom part of term control setting to indicate that a particular part of term is to be excluded from course hours swapping.

      Example:

      - Exclude RODP courses

   ➢ TBR-027 supports this functionality which does not exist in baseline Banner.

2. One dropped course and another course added on the same day apply the refund penalty only to the difference between the two courses.

   - Based on Section XII.A.2. of Guideline B-060

   ➢ Banner Baseline Fee Assessment Processing handles the above functionality.

3. Use of a course swapping concept where a student is allowed to drop a course and re-add the same course, regardless of date of either activity, and is not charged a net effect even if it is within different refund periods.

   ➢ TBR-027 supports this functionality which does not exist in baseline Banner.

4. Allow students to add courses freely via the Student Self Service system during the first 14 days of the term.

   - TBR-027 supports this functionality which does not exist in baseline Banner.

5. Ability to allow course “switching”. Course switching allows for the same course to be dropped and re-added during the same term without the student having any penalty for the original drop. Course switching also considers the number of billable hours that are switched when the course has the same department and course number, but different billable hours.

   - TBR-027 supports this functionality which does not exist in baseline Banner.

Example of exception - Course Switching

Add course on 11/10/2009. Charge = 3 hrs @ $191 = correct fee assessment

Drop same course on 1/19/2010. Charge = .75 hrs @ $191 = correct fee assessment

Re-Add same course on 1/20/2010. Charge = 3 hrs @ $191 = correct fee assessment

Drop same course on 1/20/2010. Charge = 0 hrs @ $191 = should they in fact still be charged the .75 hrs @ $191 from 1/19?

**SUNGARD®**
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# Tennessee Board of Regents
# Customization Id: TBR - 027
# Banner® Student Accounts Receivable
# A/R Refunding and Course Swap
# Functional Specification


| | |
|---|---|
| **Prepared by:** | Jason Norem, Kimberly Johnson, Sherri Waggoner |
| **Version:** | 3.0 |
| **Last Revision Date:** | January 25, 2010~~February 22, 2007~~ |
| **Create Date:** | September 6, 2006 |
| **Project Manager:** | Erik Schwarz |
| **Functional Consultant Lead:** | Sherri Waggoner |

# Table of Contents

# 1 Functional Requirement A/R Refunding and Course Swap

## *1.1 Introduction*

This Functional Specification document describes the custom modifications that will be made to the SunGard Higher Education Banner® Student system to enhance the current registration fee assessment processing for enhanced course hours swapping. The enhancements include:
Two new switches to control part of term usage within course hours swapping:

1. A custom term control setting to indicate course hours swapping is limited to being within the same part of term
2. A custom part of term control setting to indicate that a particular part of term to be excluded from course hours swapping

Additionally, this Functional Specification addresses a students ability to re-add a course via Web Self Service during Day 1 to Day 14 Registration if a status code is restricting such an add (example: DC and DP).

This functional specification document represents the outcome of an iterative review process. It is considered a product-planning document and does not represent a commitment to develop the described software changes in the manner presented. SunGard Higher Education reserves the exclusive right to determine, in its sole discretion, the enhancements to be developed by SunGard Higher Education and the manner in which they are developed.

## *1.2 Overview*

The Tennessee Board of Regents is in the process of leaping from PLUS to Banner and is identifying modifications that were made to PLUS that will need to be replicated in functionality within the Banner system. One of these modifications involves refund processing after the 100% refund period has passed.

When a course is dropped and another course added in the same day, the TBR schools apply the refund penalty only to the difference between the two courses. Banner baseline processing supports this need.

In addition, TBR uses a course swapping concept where a student is allowed to drop a course and re-add the same course, regardless of date of either activity, and is not charged a net effect even if it is within different refund periods. The swapping package will be modified to allow the same course to be swapped throughout the term, regardless of date. Additionally, the registration fee assessment will be modified to accommodate this as well.

Schools are given the option of allowing course swapping. This means that course credits dropped in one Part of Term (POT) and similar credits added in a second Part of Term could cancel each other out, or they may not depending upon the option selected by the institution. A new form based on a term value will be added. This new form will have a switch to allow each institution to determine if swapping can take place between POT's for a specific term.

Schools will be given the ability to exclude a POT when POT swapping is enabled. This will allow each institution to exclude RODP courses, as well as other POT's as needed.

Finally, TBR allows students to add courses freely via the Student Self Service system during the first 14 days of the term. This modification will allow for this functionality.

## *1.3 Scope*

### 1.3.1 Product Release

| Module | Release Number |
|---|---|
| Banner® Student | 7.3 |
| Banner® General | 7.3 |
| Banner® A/R | 7.3 |

### 1.3.2 Assumptions

#### 1.3.2.1 Contractual Assumptions

1. All customizations will be developed and delivered in SCT Banner® Student 7.3, Accounts Receivable 7.3, and General versions 7.3.
2. Objects not mentioned in this Statement of Work are outside the scope of the proposed solution. Any change in scope will be handled with a Change Request and a re-evaluation of effort.
3. SunGard SCT will deliver efficient, well-formed code, analyzed for optimal performance according to Oracle and SunGard SCT standards.
4. A single point of contact from the Client will be identified for communication during the project. This single point of contact will be responsible for all communication with SunGard SCT, including the review and approval of project deliverables and formal acceptance of the final product.
   Client approval will be required on the following documents:
   a. Statement of Work
   b. Milestone Document
   c. Functional Specification
   d. Sign Off/Acceptance
5. Failure to meet milestone dates as agreed upon in the milestones document could present a jeopardy to the project.
6. The Client will provide SunGard SCT with an Acceptance Test Plan that will determine whether or not the customization meets the requirements outlined in the functional specification.
7. SunGard SCT will test the customization prior to delivery; however, it is the responsibility of the Client to thoroughly test the customization within the testing period allowance (30 days from the date of delivery of the customization).
8. The project will be considered accepted and complete 30 days from initial delivery, if there are no outstanding defects and a signed acceptance agreement has not been obtainable. However, a signed acceptance agreement is required before any modification is eligible for maintenance through Customization Services.

9. The Client is responsible for the installation of the software delivered by SunGard SCT.
10. The Client is responsible for data set up required by the customization.
11. End user training, beyond the delivered documentation, is not part of this estimate.
12. Maintenance is not included in this Statement of Work. After original project sign off is submitted, a separate maintenance agreement is required if the Client wishes to put the customization under a maintenance contract.
13. SunGard SCT will perform all work off campus. On-site, campus visits are outside the scope of this estimate.
14. Travel and expenses are not included in the estimate of effort associated with this document

#### 1.3.2.2 Process Assumptions

1. The new fee assessment rules will only be used when the refund percentage is outside the 100% refund period.
2. Course Swapping can only be done in parts of term with in the same term where the part(s) of term allowed are controlled by the new indicators added for this customization.
3. Course swapping is needed across levels.
4. Students that drop and add between 11:59pm and 12:00am will not be accommodated by swapping may be financially penalized.
5. The same class is defined as the same subject and course number, regardless of section or meeting times.
6. Baseline swapping needs to be enabled in order for this customization to function.

### 1.3.3 Exclusions

Cross-listed courses are excluded from this enhancement.

### 1.3.4 Concerns

N/A

### 1.3.5 Terminology

### 1.3.6 Security

All forms for this modification will invoke the standard SCT Banner® object level security.

### 1.3.7 Site Policy Impact

## *1.4 Functionality*

### 1.4.1 Functional Process Flow

This enhancement follows the baseline process flow.

### 1.4.2 New Human Computer Interactions (HCI)/Forms

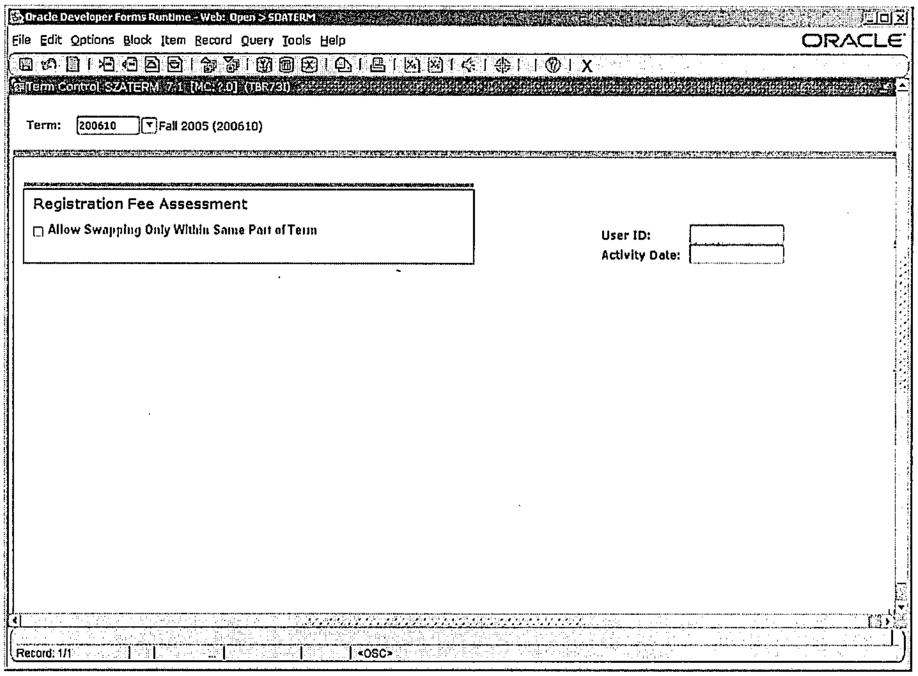
#### 1.4.2.1 SZATERM – TBR Term Control Form – Removed per CR 006

Custom form SZATERM will be created to house TBR's custom term control settings. This initial release of the form will include the custom indicators needed for Registration Fee Assessment.

SZATERM will be populated by a new custom table SZBTERM. The table will have 1 record defined per term and will be created as a base table. The SZBTERM table is dependent on both the STVTERM and SOBTERM tables. Records in STVTERM and SOBTERM will need to exist in order for SZBTERM records to be created successfully.

**Comment [S1]:** What TBR wants is a form or indicator to indicate which POT's for which they only allow swapping within that POT.

SZATERM Indicator is obsolete per CR 006. See the redefined SOATERM Part of Term Controls Indicator.




| Characteristic | Example values or questions to consider. |
|---|---|

### 1.4.3 Modified Human Computer Interactions (HCI)/Forms

#### 1.4.3.1 SOATERM – Part of Term Controls

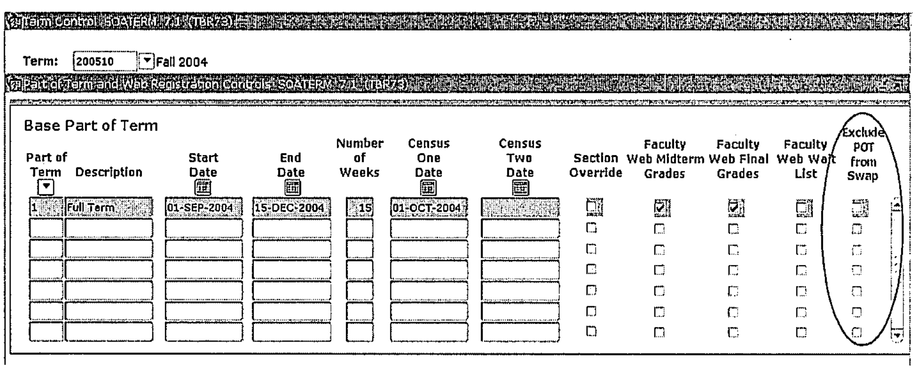
The Term Control Form (SOATERM) is used to establish controls for a specific term. These controls affect the areas of catalog, schedule, registration, registration fee assessment, and telephone registration processing.

SOATERM will be modified to include an indicator in the SOBPTRM (part of term) block. This indicator will be used to "Limit Swap to Within Part of Term". When checked/enabled, it would limit the swapping/switching to be within the part of term.

"When the "Limit Swap to Within Part of Term" is enabled for a part of term within a term, course hours swapping will only include courses for that part of term."

Having this clarification also proved that the proposed "Allow Swapping Only Within Part of Term" at the term definition level (new custom form SZATERM) is no longer needed.

EXAMPLE:
TBR has FULL Term, POT of Term 1 and POT of Term 2, POT for RODP, and POT for Law.
TBR wants to be able to swap/switch freely between full term and POT 1.
For POT 2, RODP POT, and Law POT, TBR wants to allow swapping/switching just within the POT.




| Characteristic | Example values or questions to consider. |
|---|---|
| **Limit Swap to POT** | This indicator, when selected, will be used to limit the swapping/switching to be within the part of term. |
| **Display only?** | No |
| **Updateable?** | Yes |
| **Queryable?** | Yes |
| **Required?** | No |

| | |
|---|---|
| **Enterable?** | Yes |
| **Data Type** | Character |
| **Maximum Data Length** | 1 |
| **Double click functionality** | N/A |
| **Help Line text** | Limit swapping/switching to same POT only.; Null Value allows swapping/switching across all POT's. |
| **Error Message** | N/A |
| **Edit-check Messages** | |

### 1.4.4 New Web Applications
N/A

### 1.4.5 Modified Web Applications
N/A

### 1.4.6 New Processes
N/A

### 1.4.7 Modified Processes
N/A

### 1.4.8 New Reports
N/A

### 1.4.9 Modified Reports
N/A

### 1.4.10 New Reporting Structures
N/A

### 1.4.11 Modified Reporting Structures
N/A

### *1.5 Database*

#### 1.5.1 New Tables

N/A

#### 1.5.2 Modified Tables

SOBPTRM - Base Part of Term Table

Add a column for indicating the ability to Limit a POT from Swapping with other POT's.
`SOBPTRM_POT_LIMIT_IND      NULL ALLOWED VARCHAR2(1)`

#### 1.5.3 New Views
N/A

#### 1.5.4 Modified Views
N/A

#### 1.5.5 New Functions
N/A

#### 1.5.6 Modified Functions
N/A

#### 1.5.7 New Procedures
N/A

#### 1.5.8 Modified Procedures
N/A

#### 1.5.9 New Packages
N/A

#### 1.5.10 Modified Packages

##### **1.5.10.1 Fee Assessment Package (SFKFEES)**
All Registration Fee Assessment business logic is housed within the central baseline package SFKFEES. In order for baseline course hours swapping to be in effect for the registration term being assessed, the "Allow Course Swapping" indicator needs to be enabled in form SOATERM.

Baseline course hours swapping is driven by the date(s) of registration drop activity without any consideration to part of term. The basic design of baseline course hours swapping for refund by course is to identify the date(s) where registration drop activity has occurred, calculate the total number of bill hours dropped on the given date, determine the total number of bill hours added on the given date and determine the net difference in bill hours. *(Bill Hours Dropped – Bill Hours Added = Net Bill Hours).*

The net bill hours are then subject to the liability percentage based on the refund percentage in effect for the date of drop activity.(i.e., 75% refund = 25% liability)

TBR institutions need the ability to optionally disallow or exclude certain parts of term from course hours swapping with other POT's.. Certain courses, known as RODP courses, can never be considered for course hours swapping outside of their POT. TBR has verified that RODP courses are defined to be in there own part of term. Baseline processing currently does not support functionality for excluding part(s) of term from course hours swapping.

Additionally, TBR institutions need the ability to allow what they call "course switching". This is where the same course can be dropped and re-added during the same term without the student having any penalty for the original drop. It can be the same section or any section of the course. "Course switching" needs to take priority in the course hours swapping and the course cannot be reconsidered in any remaining course hours swapping for the assessment. Additionally, course switching needs to consider the number of billable hours that are switched when the course has the same Department and Course Number, but different billable hours. Baseline processing currently does not support the concept of "course switching".

In order to meet the needs of all TBR institutions, baseline Registration Fee Assessment will be modified to provide more flexibility with part of term in course hours swapping as well as to allow "course switching". The current processing will be amended to include checking for new, custom settings to provide the needed flexibility with regard to part of term. Since the modifications will enhance current baseline course hours swapping, the "Allow Course Swapping" indicator in form SOATERM must be enabled for the term in order for the modifications to be in effect.

To reiterate, a new custom setting will be added to SOATERM for the Base Part of Term:

- an indicator for each base part of term definition to limit the part of term to course hours swapping/switching only within that POT (displayed in baseline form SOATERM)

The Registration Fee Assessment processing will be modified to include supporting the following functionality in course hours swapping:

When the "Limit Swap to POT" is enabled for a part of term within a term, course hours swapping/switching will include only that part of term. This holds true for all course hours swapping/switching outside of that part of term.

"Course switching" will be added to course hours swapping. The part(s) of term where the course can switch out (really swap) will be determined based on the setting of the new part of term indicator. This method of hours swapping will be executed first since given priority and the registration will not be reprocessed in the remaining course hours swapping if it qualifies for "course switching".

*Example scenarios*

"Course Switching" – always evaluated first before other course hours swapping is performed

The initial registration steps for the scenarios are below. All sections of MATH 100 are assumed to be defined with the same bill hours. These steps are assumed for the 8 scenario results listed below.

1. MATH 100 (term 200709, section 1, part of term 1) is added on 09/10 and is assessed. The student is charged the full rate of MATH 100.
2. MATH 100 (term 200709 section 1, part of term 1) is dropped on 09/12, which is during a refund period, and is assessed. The student is issued a partial refund since they have some charge liability due to dropping the course during a refund period.

*Assessment results when "Limit Swapping to Same Part of Term" = Y for all POT's.*

Scenario #1: MATH 100 (section 1, part of term 1) is added on 09/12 as is assessed.
The "course switching" course hours swapping is honored.
The student is charged back only the refund amount issued on 09/12.

Scenario #2: MATH 100 (section 1, part of term 1) is added on 09/20 as is assessed.
The "course switching" course hours swapping is honored.
The student is charged back the refund amount issued on 09/12.

Scenario #3: MATH 100 (section 2, part of term 1) is added on 09/20 as is assessed.
The "course switching" course hours swapping is honored.
The student is charged back the refund amount issued on 09/12.

Scenario #4: MATH 100 (section 3, part of term 2) is added on 09/20 as is assessed.
The "course switching" method of course hours swapping is *NOT* honored.
The student has full hours liability for the new section added. The student continues to have "penalty" for the course section dropped on 09/12.

*Assessment results when "Limit Swapping to Same Part of Term" = Y for POT 3 and N (null) for POT's 1and 2.*

Scenario #1: MATH 100 (section 1, part of term 3) is added on 09/12 as is assessed.
The "course switching" method of course hours swapping is *NOT* honored as POT 3 is excluded from swapping with other POT's.

Scenario #2: MATH 100 (section 1, part of term 2) is added on 09/20 as is assessed.
The "course switching" course hours swapping is honored.
The student is charged back the refund amount issued on 09/12 as POT 2 is not excluded from swapping with other POT's.

Scenario #3: MATH 100 (section 2, part of term 2) is added on 09/20 as is assessed.
The "course switching" course hours swapping is honored.
The student is charged back the refund amount issued on 09/12.

<u>Scenario #4: MATH 100 (section 3, part of term 3) is added on 09/20 as is assessed.</u>
The "course switching" method of course hours swapping is *NOT* honored.
The student has full hours liability for the new section added. The student continues to have "penalty" for the course section dropped on 09/12.

Course Hours Swapping – will be evaluated after "course switching" is completed

Again, the basic design of baseline course hours swapping for refund by course is to identify the date(s) where registration drop activity has occurred, calculate the total number of bill hours dropped on the given date, determine the total number of bill hours added on the given date and determine the net difference in bill hours. *(Bill Hours Dropped – Bill Hours Added = Net Bill Hours).*

This processing will be enhanced to conditionally consider part of term.

When "Limit Swapping to Same Part of Term" is not enabled (all part(s) of term can have course hours swapped) and part of term "O" for "Other" has "Limit Swap to Part of Term " enabled, all courses for all part(s) of term except for "O" will be considered for course hours swapping.

When "Limit Swapping to Same Part of Term" is enabled for all POT's (courses are grouped by part of term in the processing) all POT's will be not be considered when the course(s) selected are outside of the POT.

Once the courses have been selected and grouped based on the part of term settings, the same basic method of course hours swapping will be executed. The following statements hold true in all swapping scenarios:

- If more bill hours are added than dropped, the student should not have any liability (sometimes referred to as "penalty") for the dropped hours, but would be charged for additional hours.
- If the same bill hours were added and dropped, the student should not have nay liability (sometimes referred to as "penalty") for the dropped hours.
- If fewer bill hours were added than dropped, assess the percentage of liability (sometimes referred to as "penalty") on the net billable hours. (75% refund = 25% liability)

<u>Scenarios</u>: assume charge rate of $100.00 per UG/undergraduate bill hour
$150.00 per GR/graduate bill hour
assume drops occur in 75% refund period
assume student had originally registered in 9 UG hours ($900.00 charge)

<u>Scenario #1: When a student drops 5 undergraduate hours and adds 3 undergraduate hours on the same day, the student should have 25% liability on 2 of the 5 hours dropped.</u>

*Bill Hours Dropped – Bill Hours Added = Net Bill Hours*
5 – 3 = 2 net billable hours; 3 hours swap

**<u>Set Up:</u>**
Create 2 variable hour sections, CRN 1010, CRN 1011 so as to yield the 5 hour drop easily.
Create new ID @00013645 in SAAQUIK for term 200780. Assign RATE code STAFF

Revise SFARGFE rules for STUDENT for 200780:
Set RATE code for 4 pre-existing rules to LOCAL so test case won't use.
Create new rule for T101, RATE = STAFF, to charge $100/hour to match the test case.
Revise SFARGFE rules for LEVEL for 200780:
Set RATE code on pre-existing UG rule to LOCAL so test case won't use.
SFARSTS: look up 75% refund period and RSTS code.
DC, 75% from 27-aug-2007 to 09-sep-2007
SOATERM: verify swapping enabled

<u>**Case Step 1: Register in 9 hours and assess.**</u>
Register ID in 1010 for 5 hours and 1011 for 4 hours. Save. Assess.

SFAFAUD: 9 liable hours
TSAAREV: *T101 $900.00*

<u>**Case Step 2: Drop 5 hours during 75% refund period and add 3 hours on same day.**</u>
SFAREGS: 28-aug-2007 in key block
DC CRN 1010
RE CRN 1002
Save. Assess. Save.

SFAFAUD: 7.5 liable hours
TSAAREV: *T101 -150.00*
T101 <u>$900.00</u>
$750.00

*Bill Hours Dropped – Bill Hours Added = Net Bill Hours*
5 – 3 = 2 net billable hours; 3 hours swap, 2 have 25% liability = .5 liable hours

- 9 orig added hrs – 2 dropped hrs + .5 net billable hrs = 7.5 liable bill hrs
- 7.5 liable bill hours * $100.00 = $750.00 total charge liability
- student is issued a $150.00 credit to make net balance $750.00

<u>Scenario #2: When a student drops 5 undergraduate hours and adds 3 graduate hours on the same day, 3 of the 5 undergraduate hours swap out.</u>

*Bill Hours Dropped – Bill Hours Added = Net Bill Hours*
5 – 3 = 2

<u>**Set Up:**</u>
Revise SFARGFE rules for LEVEL for 200780:
Set RATE code on pre-existing GR rule to LOCAL so test case won't use.
Create T101 rule for $150/hr, RATE = STAFF to match test case need.
Create new ID
<u>**Case Step 1: Register in 9 UG hours and assess.**</u>
Register ID in 1010 for 5 hours and 1011 for 4 hours. Save. Assess.

SFAFAUD: 9 liable hours
TSAAREV: *T101 $900.00*

**Case Step 2: Drop 5 UG hours during 75% refund period and add 3 GR hours on same day.**

SFAREGS: 28-aug-2007 in key block
DC CRN 1010
RE CRN 1009 (GR course)
Save. Assess. Save.

SFAFAUD: 7.5 liable hours ← STUDENT rule, student has 7.5 liable bill hours
3.0 liable hours ← LEVEL rule for GR, student has 3 liable GR hours

TSAAREV: *T102 $450.00 ← GR course level; LEVEL rule for GR*

*T101 -150.00* ← T101 is for the overall student charges; STUDENT rule
T101 $900.00
net T101 $750.00

*Bill Hours Dropped – Bill Hours Added = Net Bill Hours*
5 – 3 = 2 net billable hours; 3 hours swap, 2 have 25% liability = .5 liable hours

- Handle overall student:
- 9 orig added hrs – 2 dropped hrs + .5 net billable hrs = 7.5 liable bill hrs
- 7.5 liable bill hours * $100.00 = $750.00 total charge liability
- student is issued a $150.00 credit to make net balance $750.00
- Handle GR course level charges (straight add at GR level)
- 3 liable bill hours * $150.00 = $450.00

Example Case:
Set Up: UG charge rate is $100.00/hour. UG tuition detail code is T101.
GR charge rate is $250.00/hour. GR tuition detail code is T102.

Student initially registers in 8 UG hours (2, 3 hour courses & 1, 2 hour course) and is assessed.

Initial assessment is 8 UG hours * $100.00/hour = $800.00
TSAAREV: *T101 $800.00*

Student then drops a 2 hour UG hour course during a 60% refund plus adds a 3 hour GR course in the same day and is assessed.

*Bill Hours Dropped – Bill Hours Added = Net Bill Hours*

- 2 of the 3 GR hours added swap with the 2 UG hours dropped
- Student has no liability or "penalty" on the 2 dropped UG hours that swap
- 8 originally added UG hours – 2 UG hours dropped = 6 liable UG hours
- 3 GR hours added are at 100% liability

6 UG hours * $100.00/hour = $600.00 due to T101
3 GR hours * $250.00/hour = $750.00 due to T102

TSAAREV: *T102 $750.00*

| | | |
|---|---|---|
| *T101* | *-$200.00* | (T101 balance is now $600.00) |
| T101 | $800.00 | |

#### 1.5.10.2 Modify Package BWCKCOMS

Functionality to re-add a course via SS will be included if baseline does not meet the requirements.

### 1.5.11 New Other

N/A

### 1.5.12 Modified Other

N/A

# 2 Cross Enterprise Considerations

### 2.1.1 Campus Pipeline/Luminis

N/A

### 2.1.2 SunGard Higher Education's Workflow Examples

N/A

### 2.1.3 WebCT Interface Processes

N/A

### 2.1.4 Learning Systems

N/A

### 2.1.5 Other Interfaced Systems

N/A

# 3 Contract Information

| | | |
|---|---|---|
| **Modification Data** | | |
| | Initial Proposal Date: | |
| | Product(s) Targeted for Modification: | Banner Student 7.3 |
| | Intended Release: | Banner Student 7.3 |
| **Institutional Data** | | |
| | Product(s) Currently in Use: | |
| **Client Contact(s)** | | |
| 1. | Last Name: | Murry |
| | First Name: | Patty |
| | Telephone Number: | 901-678-4246 |
| | Email Address: | pmurry@memphis.edu |
| 2. | Last Name: | |
| | First Name: | |
| | Telephone Number: | |
| | Email Address: | |

## 4 Approval to Proceed

The signatures below indicate that TBR 027 Functional Specification v3.0.doc meets the approval of the undersigned and thereby grants SunGard Higher Education the approval to proceed.

Please fax this approval page to Sherri Waggoner at 610-578-3422.

Signature ____________________ Date __________

| | |
|---|---|
| Print Name: | |
| Print Title: | |

Signature ____________________ Date __________

| | |
|---|---|
| Print Name: | |
| Print Title: | |

# 5 Document History

**Revision Record**

| Number | Date and Sections | Author | Notes |
|---|---|---|---|
| .01 | 09/06/2006 | Jason Norem | Initial creation |
| .02 | 09/26/2006 | Kimberly Johnson | Updates |
| .03 | 10/30/2006 | Kimberly Johnson | Updates after internal review |
| 1.00 | 10/31/2006 | Kimberly Johnson | Delivered to the client |
| 2.0 | 11/17/2006 | Sherri Waggoner | Incorporated coments from Functional Spec Walk Through and CR 002. |
| 3.0 | 1/29/2007 | Sherri Waggoner/Bernadette Gratton | Incorporated CR 003. Functional Spec rewritten after review of baseline swapping. Additionally, re-adding a course functionality reviewed. |
| 3.1 | 2/14/2007 | Sherri Waggoner | Comments and concerns from TBR noted on Functional Spec. CR 005 and 006 were the results. |
| 3.1 | 2/21/2007 | Sherri Waggoner | CR 005 and CR 006 incorporated into Functional Spec. |

# 6 Acronyms

| Acronym | Description |
|---|---|
| AMC | Account Management Council |
| AMM | Account Management Methodology |
| CAM | Client Account Management |
| CDM | Common Development Methodology |
| CMS | Common Star |
| CSM | Common Services Methodology |
| PEG | Process Engineering Group |
| PMC | Project Management Council |
| PMM | Project Management Methodology |
| ProNet | SunGard Higher Education's Process Network |
| PTDB | Project Tracking Database |
| RPE | Request for Product Enhancement |
| SPG | Software Process Group |
| SQ&P | Services Quality and Processes |

# 7 Definitions

| Term | Definition |
|---|---|
| Switching | A course change where the billing change is determined on the basis of Subject and Course Number. |
| Swapping | A course change where the billing change is determined on the basis of billing hours. |
| | |
| | |

Swapping on same day, same POT, no penalty.

*Required Fields in Italics*

| | | |
|---|---|---|
| *Project Definition Name:*<br>*A/R Refunding and Course Swapping* | | *Change Status*<br>Requested |
| *Project Definition Number:*<br>*TBR 027* | *Date Requested:*<br>*2/9/2007* | *Control Number*<br>CR 005 |
| ***Change Request Short Description:*** ***Swapping of same course with different hours.*** | | |

***Change Request Detailed Description:***

Add further functionality to current mod to check for variations in bill hours when course switching (same Dept, same course #).

Fee assessment when switching the same course that is assigned different bill hours needs take into consideration bill hours and adjust appropriately. (MU 101 CRN 1 has 3 hours, MU 101 CRN 2 has 2 billable hours).

This addition would make number 6 of Section 1.3.2.2 Process Assumptions obsolete.

***Alternate solutions: Have different course numbers that have stable credit hours attached for each MU 101 course.***

***Hours Estimate:*** This Change Request has an effort associated with it of 39 additional hours beyond the original scope of the project.

***Impact to Schedule:*** CR 006 and CR 005 have put TBR 027 project status to red. Immediate approval needed.

This project also impacts the delivery of TBR 032.

***Assumptions:***

Approvals

| Name | Approval Signature | Date |
|---|---|---|
| | | |

**Stakeholders:**
Tim Morrison, Alecia Lavacot, Susan Thomas - Project Manager, Clay Stabler, Dale Loudenback, Rusty Applegate, David Ackerman, Sara Goodman, Toni Coleman, Dale Stiles, Phil Haines, Dave Curran. Charles Page, Barbara Perez, Roy Mounier

Prepared By: SunGard Higher Education
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United States of America

# 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 fees 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 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. 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 fees; by type of institution (two-year institutions; APSU, ETSU, MTSU, TSU, and TTU; and UOM); and by student level (undergraduate and graduate). The hourly rate will be discounted when undergraduate students enroll in greater than 12 hours and graduate students in greater than 10 hours.

2. Developmental courses are charged at the two-year institution hourly rate. If a student enrolls in both regular and developmental courses, the rates shall be assessed at the hourly rate for each up to the current amount of 12 undergraduate hours. The discounted tuition rate will then apply to any additional courses.

3. 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.

4. 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 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.

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. A separate hourly rate for out-of-state tuition will be set for undergraduate and graduate students. While the per hour rate for graduate students will be higher, the rates will be set so that a full-time graduate student and a full-time undergraduate student will pay approximately the same amount for out-of-state tuition. A full-time student is defined as an undergraduate enrolled in 12 hours or a graduate student enrolled in 10 hours.

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. eRate**

**A. Description of Fee**

**1. The eRate is available to students who enroll at TBR institutions, who are classified as non-residents of Tennessee, and who are enrolled exclusively in online courses.**

~~**2. The employment of the eRate will enable TBR institutions to be more competitive in the national marketplace for online programming and will thus permit them to be able to attract new students and increase revenue.**~~

**2. The eRate is 150% of the institution's approved undergraduate or graduate maintenance fee.**

3. To qualify for an eRate, students must (a) meet all institution admission requirements and must (b) be verified as an online out-of-state student enrolled exclusively in courses delivered online by a procedure documented by the institution.

4. Students enrolled in any type courses other than online (on-ground, telecourse, distance education, etc.) will not be eligible for the eRate specified in this guideline and will instead incur traditional non-resident fees and charges. Students who enroll in both online courses and other type courses and subsequently drop the other type courses will not then become eligible for the eRate.

5. Institutions enrolling eRate students as defined in this guideline must provide a method to mitigate any negative impact on the opportunity for Tennessee student enrollment in online courses.

B. Accounting Treatment

1. The eRate is comprised of the maintenance fee and a 50% markup that represents the out-of-state tuition portion.

2. The maintenance fee and the out-of-state tuition should each be recorded as outlined in sections II and III above.

FINDING AND RECOMMENDATION

**The Vice President for Business Affairs and the Director of Fiscal Services made several classification errors in Motlow College Foundation's financial statements, resulting in inaccurate financial reporting**

### Finding

The Vice President for Business Affairs and the Director of Fiscal Services of Motlow State Community College did not ensure that the financial statements and notes of the college's component unit foundation were accurately prepared for the fiscal years ended June 30, 2008, and June 30, 2007. We found that management made several classification errors due to oversights during the preparation process.

Based on our audit, we found that the Vice President for Business Affairs and the Director of Fiscal Services, who worked together in preparing Motlow College Foundation's financial statements as presented in the college's *Annual Financial Reports,* made the following classification errors:

- On the college's statement of net assets at June 30, 2008, in the component unit column, they failed to separately report $383,551.65 of nonexpendable net assets restricted for scholarships. The amount was shown in the nonexpendable restricted net assets - other category. Inadequate review procedures led to the misclassification.
- On the college's statement of net assets at June 30, 2007, in the component unit column, they failed to separately report $211,506.64 of expendable net assets restricted for scholarships. The amount was shown in the expendable restricted net assets - other category. Inadequate review procedures led to the misclassification.
- On the college's 2008 and 2007 statements of revenues, expenses, and changes in net assets, in the component unit columns, they reported $116,413.39 and $76,307.31, respectively, of foundation gifts and contributions as endowment income per spending plan. They should have deducted the amounts from amounts reported as investment income rather than from amounts reported as gifts and contributions.
- In note 16 in the college's 2008 financial report, $300,000 of foundation pledges were reported as due after five years as opposed to due in one to five years. They put the amount on the wrong line in the note to the financial statements.
- In note 14 in the college's 2007 financial report, they misclassified $3,262,305.47 of foundation equity mutual funds and $41,496.63 of money market mutual funds as bond mutual funds. According to the Director of Fiscal Services, the amount was simply placed in the wrong category in the note, but the statement of net assets reflected investments properly.

These reporting errors resulted in material misclassifications on the financial statements. (The total amounts of component unit net assets, revenues, pledges receivable, and investments were accurately reported in the college's financial statements and notes, but the amounts described above were misclassified.) Financial decisions not in the best interest of the college and its foundation can be made as a result of inaccurate reporting.

According to the Vice President for Business Affairs, these classification errors were not detected because he did not have sufficient review time between the year-end closing and the final preparation and submission of the financial report to the Tennessee Board of Regents Central Office. The Vice President also cited the lack of adequate resources to provide adequate staffing and time devoted to the implementation of its new accounting system as contributing factors. With an adequate review process, the Vice President could have detected and corrected these errors before the final financial report was prepared. We made audit adjustments to correct the financial statements and notes for the audit report.

## Recommendation

The Vice President for Business Affairs should ensure that the financial report is accurately prepared. After preparation, an additional, detailed review should be performed by the Vice President for Business Affairs to ensure that errors have not been made in report preparation. Component unit net asset balances should be properly classified at year end. Restricted net asset balances should be classified as stipulated by external third parties. The nature of the restriction should be properly reported in the following categories: scholarships and fellowships, research, instructional department uses, loans, capital projects, debt service, or other.

The Vice President for Business Affairs should ensure that risks associated with report preparation are adequately identified and assessed in the college's risk assessment activities. The Vice President should also implement effective controls to adequately mitigate those assessed risks for ongoing monitoring of the risks and mitigating controls, and take action if deficiencies occur.

## Management's Comment

We concur with the finding and recommendation. The Vice President for Business Affairs will review the organizational structure of the Business Affairs unit to determine how more professional staff time can be utilized to prepare and review the financial statements to ensure that the financial statements are accurately prepared. Additionally, the component unit classifications and nature of restricted net assets will be classified in accordance with external third-party stipulations.

The Vice President for Business Affairs will direct the Business Affairs risk assessment team to determine the risks associated with the report preparation and take corrective action as deemed necessary.

# MOTLOW STATE COMMUNITY COLLEGE
# LIST OF ITEMS DISCUSSED AT THE FIELD EXIT CONFERENCE
# NOT ADDRESSED IN THE AUDIT REPORT
# FOR THE YEARS ENDED JUNE 30, 2008, AND JUNE 30, 2007

**Internal Control Weaknesses**

1. During the 2007 fiscal year, the Assistant Director of Fiscal Services failed to capitalize $41,865.00 of equipment items. According to The State University and College System of Tennessee Procedures for Capitalizing Fixed Assets, equipment should be capitalized if it has a "unit cost of $5,000.00 or more." The department receiving the goods (in this case, the Information Technology Department) is typically responsible for notifying the Business Office when items need to be capitalized, and they failed to do so. In addition, Information Technology Department personnel did not include an itemized listing of items to be purchased on the purchase requisition nor did they include the proper account code on the requisition. This account code would trigger the capitalization process. The audited statements were not corrected due to the immateriality of the amounts.

2. For three of 16 user accounts tested (19%), an employee had unauthorized access to screens within the Banner application. In one case, an e-mail had been sent by an employee's supervisor in July 2008 to modify an employee's access, but no action had been taken by the Database Administrator. In the other two cases, employees had retired in June 2008, but no action had been taken by the Database Administrator. The Director of Human Resources had informed other Information Technology staff members of the retirements. The access of these three employees was modified after discussions with our audit staff. According to the Database Administrator and the Director of Technical Operations, the Database Administrator will now perform periodic reviews of user access every 90 days.

**Reporting Errors – Notes to the Financial Statements**

3. In note 4 in the college's 2008 financial report, the Assistant Director of Fiscal Services did not separately report $38,042.00 which was receivable from the college's component unit foundation. According to Governmental Accounting Standards Board Statement number 34, paragraph 128, "the notes to the financial statements should disclose, for each major component unit, the nature and amount of significant transactions with the primary government and other component units." The note was corrected for the audit report.

4. In note 6 in the college's 2007 financial report, the Director of Fiscal Services reported $140,420.87 of unrestricted net assets in the undesignated category rather than in amounts designated for debt retirement. The note was corrected for the audit report.

5. In note 9 in the college's 2007 financial report, the Director of Fiscal Services reported the college's scheduled insurance coverage for buildings at $51,839,600.00 as opposed to $52,003,600.00. Staff in error used the incorrect number from a supporting schedule. The note was corrected for the audit report.

**Reporting Errors – Statements of Net Assets**

6. On the college's statement of net assets at June 30, 2008, the Director of Fiscal Services incorrectly categorized $229,662.14 of restricted expendable net assets as restricted nonexpendable net assets. Inadequate review procedures led to the misclassification. The statement of net assets was corrected for the audit report.

**Reporting Errors – Statements of Cash Flows**

7. A college accountant made three misclassifications on the college's 2008 statement of cash flows. Cash flows from operating grants and contracts were understated by $157,426.00 and federal student loan receipts (noncapital financing activities) were overstated by a like amount. Payments for scholarships and fellowships (operating) were overstated by $37,988.00 and gifts and grants (noncapital financing activities) were overstated by a like amount. Interest paid on capital debt totaling $58,728.67 was incorrectly included in purchases of capital assets. The cash flow statement was corrected for the audit report.

8. A college accountant made a misclassification on the college's 2007 statement of cash flows. Cash flows from operating grants and contracts were understated by $25,014.00 and federal student loan receipts (noncapital financing activities) were overstated by a like amount. The cash flow statement was corrected for the audit report.

# Jackson State Community College
# Items Discussed at the Field Exit Conference
# Not Addressed in the Audit Report
# For the Years Ended June 30, 2008, and June 30, 2007

1. The Payroll Supervisor understated amounts in the 6/30/08 Long-term Liabilities note. The reduction in compensated absences did not include the 18% calculation for benefits. Reductions were stated in the note as $513,276.40; however, per auditor recalculation, reductions should have been stated as $605,666.15. This caused the additions to compensated absences to be understated since additions are calculated using reductions. Additions were stated in the note as $590,087.77; however, per auditor recalculation, additions should have been stated as $682,477.52. The ending balance was correct.

2. The Director of Human Resources did not properly restrict access to the Banner Human Resource system for two of 35 users tested (6%). (usernames LWEAVER and LGRAY) After we brought this to management's attention, the Manager of Institutional & Administrative Services restricted the access to the Banner Human Resource system for these two users.

3. The Director of Purchasing did not properly tag six of 24 equipment items (25%) that were included in our sample. (tag #s 9169, 9487, 7392, 9486, 9481, and 7959) These assets were bundled together with other items upon receipt; therefore, not all of the items were tagged.

4. In the FY 2007 Management's Discussion and Analysis, the Director of Business Services understated the increase in operating grants and contracts between fiscal years 2007 and 2006 by $187,695.02. He stated the increase as $874,783.64, but the increase was $1,062,478.66, based on a comparison of the amounts in the financial statements. According to the Director, he computed the difference between governmental grants and contracts for both fiscal years rather than the difference between total operating grants and contracts. We corrected the MD&A for the audit report.

# Columbia State Community College
# Items Discussed at the Field Exit Conference
# Not Addressed in the Audit Report
# For the Years Ended June 30, 2008, and June 30, 2007

## INFORMATION SYSTEMS

### 1 - Two IT employees had inappropriate Banner access

Information Technology employees are not functional users of the Banner information system modules, and we found that one computer programmer analyst had inappropriate access to Banner HR, Banner Advancement, and Banner Student; another computer programmer analyst had inappropriate access to Banner Student.

One analyst had "modify" access to NBAJOBS, a Banner program which is used to process pay rate changes. The Director of Human Resources removed the access on March 19, 2009, after auditor inquiry. We reviewed an audit history for NBAJOBS, and we found no modifications made by this analyst.

The same analyst also had "modify" access to every form within Banner Advancement, which is the Banner component that the foundation uses to record gifts and pledges. Since the Foundation Secretary is the only operational user of Banner Advancement, the IT Department was serving as a back-up; however, that is not a proper role for IT staff, and college management should train another member of the foundation staff or Business Office staff to serve as a back-up. The analyst's access was removed on April 28, 2009, after auditor inquiry. We did not find any improper use of her access in our limited review.

The same analyst also had "modify" access to every form dealing with the registration side of Banner Student (anything non-financial-aid related), which gave her the ability to create/enter a new student, modify student information (such as address, phone number, high school information, etc.), and view and change grades in Banner Student. After auditor inquiry, her access was removed on April 28, 2009. We did not find any improper use of her access in our limited review.

The other analyst had "modify" access to every form in Banner Student. With that access, she would be able to modify student information, such as grades, class schedules, and student address. She also completes the ISIR uploads from the U.S. Department of Education. That process takes what a potential student entered onto his or her FAFSA and transfers the information along with any comments and/or codes (such as loan defaults, bachelor's degree, etc.) into Banner Student so that the Director of Admissions and Financial Aid can begin the financial aid process. After auditor inquiry, access was removed on April 28, 2009. We did not find any improper use of her access in our limited review.

## 2 - Access through banworx not properly limited

During the course of our access testwork for the various Banner components, we noted a user ID called "banworx." Banworx is associated with a program called "appworx," which is used to run automated reports, but "banworx" can also be used like a regular user ID to access any of the forms for which access has been granted. At the time of our review, the "banworx" user ID had modify access to every form in Banner (3,067 forms), and the Associate Vice President for Information Technology stated that the Database Administrator and the Systems Analyst 1 had the password associated with the "banworx" ID. Therefore, they had the ability to create a new vendor, modify existing vendors, create new students, modify student information, create new employees, modify employee information, and change employee pay rates. The Database Administrator stated that he had not taken time to remove access to unnecessary forms from this user ID. Shortly after our discussion in December 2008, the Database Administrator reviewed the access and removed access to 2,179 forms. We did not find any evidence of improper access in our limited review.

## 3 - Password change not required at proper frequency

The current Information Technology password policy does not comply with TBR Policy 1:08:00:00, Section 9.2.5 of the Enterprise Information Security Policies of the State of Tennessee, and industry best practice. The TBR policy does not address passwords. However, Section 4 of the policy states that, "This policy is intended to be fully consistent with the State of Tennessee Internet Acceptable Use Policy and the State of Tennessee Electronic Mail Acceptable Use Policy, as they currently exist or as they may be amended in the future, as well as with any other applicable policies regarding information technology systems which may be promulgated in the future by the State of Tennessee Department of Finance Office of Information Resources (OIR). To the extent that a discrepancy exists between this policy and State policy, State policy shall take precedence." The state policy, which is in accordance with best practice, requires that, "All passwords must be changed (as a maximum) every 90 days (30 days for system administrators or technical support staff)." CoSCC only requires employees to change passwords every 180 days.

## 4 - Banner access not reviewed after implementation

The lead employees for the college's information system components, including Banner Finance (Business Manager), Banner HR (Vice President for Financial and

Administrative Services), and Banner Student (Director of Admissions and Financial Aid/Director of Records and Registration) did not adequately review access after the applications were implemented. In our review of information system access, we found several instances of unnecessary access, which the applicable lead employee subsequently removed. Industry best practice recommends a review of access at least semi-annually.

## 5 - Temporary Banner access was not removed timely

At the end of FY 2008, the Personnel Records Supervisor was on leave and the college was in the process of hiring a new Director of Human Resources. Therefore, to facilitate the year-end closing, the Business Manager and the Payroll Supervisor were allowed temporary access to NBAJOBS, a Banner program which is used to process pay rate changes. However, the Banner HR lead (Vice President for Financial and Administrative Services) did not ensure that the temporary access was removed once the year-end closing was completed. Access was removed on December 1, 2008, after auditor inquiry. We reviewed an audit history for NBAJOBS, and we found no unauthorized changes.

## 6 - Unnecessary access was granted for NBAJOBS

The Human Resources Analyst had "modify" access to NBAJOBS, but her duties did not include processing job changes or pay rate changes so the access was not needed. The more employees that have "modify" access to NBAJOBS the easier it is for unauthorized pay rate changes to be made and possibly go undetected. Her access was removed on March 4, 2009, after auditor inquiry. We reviewed an audit history for NBAJOBS, and we found no unauthorized changes.

## 7 - Director of Admissions and Financial Aid Banner Access

Currently the Director of Admissions and Financial Aid has the ability to create a new student in Banner and has "modify" access to all of the financial aid forms within Banner Student. While the Director cannot modify any information on a student's FAFSA, she can complete the whole review process. Her access should be limited to that necessary for the Director position. The Director stated that the college is in the processing of hiring an Assistant Director for Financial Aid and once that is done she will be able to review the access that she and the new employee will have with the financial aid side of Banner Student and make changes as deemed necessary.

## 8 - Banner Advancement does not have appropriate backup

The foundation provided training for the Executive Director so she could serve as a backup for Banner Advancement. During the audit period, she was given "modify" access on an as-needed basis so she could be a backup for the Foundation Secretary; however, that arrangement was rather cumbersome because the business owner for Banner Advancement had to request a change in access every time the Executive Director needed to process a transaction. Also, based on the Executive Director's position, she should only have "inquiry" access to Banner Advancement. On April 1, 2009, the Executive Director was temporarily given "modify" access so she could serve as a backup until someone more appropriate can be trained. Since the staff is limited in the foundation office, the college should consider whether someone in the Business Office should be trained to serve as a backup for Banner Advancement.

## FINANCIAL STATEMENTS

### 9 - College's 6/30/08 current cash was understated

The Assistant Business Manager understated current cash and cash equivalents on the 6/30/08 statement of net assets. She did not include the balances of $226,876.16 for TTCH and $246,968.38 for TTCP, which resulted in a $473,844.54 understatement; she incorrectly included the balances of the technology centers' petty cash checking accounts ($10,000 for TTCH and $10,000 for TTCP) and the technology centers' petty cash funds ($100 for TTCH and $300 for TTCP), which resulted in a $20,400 overstatement. Since the college does not exercise control over the TTC petty cash checking accounts and the petty cash funds, the accounts should not have been included. The net understatement was $453,444.54. We made an audit adjustment and revised the amount in bank accounts and petty cash on hand amount in the cash note to agree with the adjusted amounts.

### 10 - College's 6/30/07 current cash was overstated

The Business Manager improperly included the technology centers' petty cash checking accounts ($10,000 for TTCH and $11,200 for TTCP) and the technology centers' petty cash funds ($100 for TTCH and $300 for TTCP) in the current cash and cash equivalents on the 6/30/07 statement of net assets, which resulted in a $21,600 overstatement. Since the college does not exercise control over the TTC accounts, the accounts should not have been included. We made an audit adjustment and revised the petty cash on hand amount in the cash note to agree with the adjusted amount.

**Columbia State Community College**
**Items Discussed at the Field Exit Conference**
**Not Addressed in the Audit Report**
**For the Years Ended June 30, 2008, and June 30, 2007**

**11 - Capital assets understated at 6/30/08**

The Business Manager did not record the last two payments made by TBR for capital projects 236 and 237 for the fiscal year ended June 30, 2008. As a result, she understated capital appropriations by $13,858.50; capital assets (net) by $10,542.53 (project 237); and utilities, supplies, and other services by $3,315.97 (project 236) in the statement of revenues, expenses, and changes in net assets. We proposed an audit adjustment.

**12 - Due to grantor liability not reported**

The Business Manager reported the federal portion of Federal Perkins loans of $958.95 at June 30, 2008, and $1,763.15 at June 30, 2007, and the federal portion of Federal Nursing loans of $6,971.41 at June 30, 2008, and $6,805.49 at June 30, 2007, as restricted net assets expendable for loans; however, she should have reported the balances at each year-end as a long-term liability, due to grantor. Therefore, she understated the due to grantor by $7,930.36 at June 30, 2008, and $8,568.64 at June 30, 2007. We made audit adjustments for each year and revised the Long-term Liabilities note to include the due to grantor information in the schedule of long-term liability activity. The failure to reflect the due to grantor liability was also noted in the prior audit.

**13 - Depreciation expense understated for both years**

In determining the depreciation expense for the statement of revenues, expenses, and changes in net assets, the Business Manager netted the additions to accumulated depreciation with the reductions and reported the net amount. However, the depreciation expense should be equal to the additions to accumulated depreciation. As a result, she understated depreciation expense by $248,537.06 for the fiscal year ended June 30, 2008, and $220,775.81 for the fiscal year ended June 30, 2007. The reductions should have been reflected in the "other capital" line item under other revenues. We made audit adjustments and revised the Natural Classifications with Functional Classifications note for the audit report.

**14 - Component unit's pledges receivable understated**

On the statement of net assets, the Business Manager understated current pledges receivable for the component unit by $7,877.01 at June 30, 2008, and $5,860.60 at June 30, 2007, because she discounted all pledges receivable, not only those due after one year as required by FASB 116 and 117. She also understated the noncurrent pledges receivable by $4,813.57 at June 30, 2007; due to a keying error, she used a discount rate of 5.9% instead of 5.29% to determine the net present value. We proposed an audit adjustment for each fiscal year.

**15 - Grants and subsidies expenses misclassified**

The Business Manager reported expenses for grants and subsidies to individuals as utilities, supplies, and other services instead of scholarships and fellowships for the fiscal years ended June 30, 2008, and June 30, 2007. We made audit reclassifications for both years. We also reclassified these expenses for the fiscal year ended June 30, 2006, for comparative purposes only, for the MD&A in the audit report.

## NOTES TO THE FINANCIAL STATEMENTS

**16 - Some 6/30/07 investment cost amounts understated in component unit note**

The Assistant Business Manager understated the cost of some of the foundation's investments in the 6/30/07 Component Unit note. The amount for U.S. agencies was understated by $615.15 because she failed to include the Smith Barney amount. The amount for corporate stock was understated by $70,643.04 because she failed to include the amounts for AmSouth - Unitrust ($23,939.04), stock ($9,600.00), and Merrill Lynch ($37,104.00). The amount for corporate bonds was understated by $194,770.91 because she failed to include the right amounts for AmSouth. The amount for mutual equity funds was understated by $2,828.82 because she failed to include the AmSouth - Unitrust amount. The amounts on the statement of net assets reflected the market value so no audit adjustment was necessary. We revised the cost amounts for the note in the audit report.

**17 - Insurance coverage in note understated at 6/30/07**

The Business Manager understated the amounts of coverage in the 6/30/07 Insurance-Related Activities note because she failed to include insurance coverage of $8,018,100 on the gymnasium building and $300,000 in coverage for the contents of the gymnasium.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**18 - 2007 equipment depreciation understated in MD&A**

# Columbia State Community College
# Items Discussed at the Field Exit Conference
# Not Addressed in the Audit Report
# For the Years Ended June 30, 2008, and June 30, 2007

In the Capital Assets section of Management's Discussion and Analysis in the narrative discussing the changes between 2007 and 2006, the Business Manager understated depreciation of equipment for FY 2007 by $7,914 because she did not include the adjustments for partial-year depreciation. We revised the amount in the audit report.

Tennessee Board of Regents

OFFICE OF GENERAL COUNSEL
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**MEMORANDUM**

**TO:** **Christine Modisher**
**General Counsel**

**FROM:** **Mickey Sheen**

**DATE:** January 26, 2010

**RE:** FLSA Material on the TBR Website

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Following is the link to get to the FLSA section of the website, along with directions in case the link does not work for any reason.

Directions:

1. On the TBR home page (www.tbr.edu), hover on TBR Offices in the dark grey area and click on Office of General Counsel.
2. Click on "Programs and Services" in the "In this Section" area on the left side of the page.
3. Click on "Useful Links"
4. Scroll to the bottom of the page. Under the heading "Articles, Cases, and Seminars", sub-heading "Fair Labor Standards Act (FLSA)" is the FLSA material. Click on the item you want to view, and open the PDF document.

Link:

1. Type the following URL into your address window: http://www.tbr.edu/offices/generalcounsel.aspx?id=2790&ekmensel=e2f22c9a_892_1204_btnlink
2. Follow directions from #4 above.

**Textbook Information**
**HEOA section 112 HEA section 133**
**Effective date: July 1, 2010**

The HEOA supports the academic freedom of faculty to select high quality course materials for their students while imposing several new provisions to ensure that students
Page 35 of 219—The Higher Education Opportunity Act
have timely access to affordable course materials at postsecondary institutions receiving Federal financial assistance. These provisions support that effort and include the following:

• When textbook publishers provide information on a college textbook or supplemental material to faculty in charge of selecting course materials at postsecondary institutions, that information must be in writing (including electronic communication) and must include
☐ the price of the textbook;
☐ the copyright dates of the three previous editions (if any);
☐ a description of substantial content revisions;
☐ whether the textbook is available in other formats and if so, the price to the institution and to the general public;
☐ the separate prices of textbooks unbundled from supplemental material; and
☐ to the maximum extent possible, the same information for custom textbooks.

• To the maximum extent practicable, an institution must include on its Internet course schedule for required and recommended textbooks and supplemental material
☐ the International Standard Book Number (ISBN) and retail price;
☐ if the ISBN is not available, the author, title, publisher, and copyright date; or
☐ if such disclosure is not practicable, the designation "To Be Determined."

If applicable, the institution must include on its written course schedule a reference to the textbook information available on its Internet schedule and the Internet address for that schedule.

• A postsecondary institution must provide the following information to its college bookstores upon request by such college bookstore:
☐ the institution's course schedule for the subsequent academic period; and
☐ for each course or class offered, the information it must include on its Internet course schedule for required and recommended textbooks and supplemental material, the number of students enrolled, and the maximum student enrollment.

• Institutions disclosing the information they must include on their Internet course schedules for required and recommended textbooks and supplemental material are encouraged to provide information on
☐ renting textbooks;
☐ purchasing used textbooks;
☐ textbook buy-back programs; and
☐ alternative content delivery programs.

The HEOA also requires the Government Accountability Office (GAO) to study the implementation of this section and report to Congress (See Non-institutional Studies, Reports, and Summits, U.S. Government Accountability Office (GAO) Studies and Reports, Textbook Information)

The Secretary is prohibited from regulating on this section of the HEA, but will monitor institutions and review student complaints relating to these provisions.