

## **BUSINESS AFFAIRS SUB-COUNCIL**

**July 30, 2003**

### **MINUTES**

The meeting began at 8:30 a.m. in the TBR Board Room. Present were Ms. Debra Bauer (NSCC); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Mr. John Cothorn, (MTSU); Mr. Bill Fuqua (RSCC); Mr. Danny Gibbs (VSCC); Mr. Mike Gower (MTSU); Mr. Clay Harkleroad, Jr. (TSU); Mr. Ken Horner (COSCC); Dr. Charles Hurley (CLSCC); Mr. Al Irby (APSU); Ms. Rosemary Jackson (WSCC); Mr. Ron Kesterson (PSTCC); Mr. Charles Lee (UOM); Mr. David Lolles (DSCC); Ms. Linda Maxwell (TTU); Mr. Mike Posey (MSCC); Ms. Susan Rains (STCC); Ms. Claire Stinson (NSTCC); Mr. David Zettergren (UOM); Dr. Bob Adams, Ms. Kathy Crisp, Ms. Deanna Hall, Ms. Lisa Hall, Ms. Ann Rutland, Mr. Ron Simmons, and Ms. Renee Stewart (TBR).

In Ms. Swenson's absence, Dr. Adams called the meeting to order.

### **BUSINESS**

#### **1. Risk Management Presentation**

Jamie Fohl, Risk Management, discussed property loss issues. During FY 03, Tennessee exceeded the aggregate \$5 million loss deductible and filed a claim with the insurance carrier. FY 03 losses included fires at UOM and UT as well as storm damage in the Jackson, TN area.

Although the insurance market has stabilized, insurance premiums will increase for FY 04. The aggregate deductible will increase from \$5 million to \$7.5 million; the per occurrence deductible, however, will remain at \$25,000. The flood deductible is \$100,000 per occurrence and certain zones are not covered. The crime coverage has a deductible of \$50,000 and includes a \$1 million limit.

Keith Butterfield, Claims Awards, discussed loss prevention steps institutions can implement to minimize worker's compensation claims. Tennessee pays approximately \$15 million in worker's compensation claims per year. Most involve falls, back/shoulder sprains, or motor vehicle accidents. Mr. Butterfield recommended that all institutions develop a motor vehicle safety policy that requires all users of institutional vehicles to possess a current driver's license and a safe driving record. Ms. Crisp indicated that all needed information is available at the TennesseeAnytime website, but that institutions have not been granted access to the necessary pages. Mr. Butterfield stated that he would review the situation.

Mr. Butterfield also discussed a return-to-work policy for injured employees. Currently, when employees are released with restrictions, some state agencies are instructing the employee to not return to work until the restrictions have been lifted. Mr. Butterfield stressed that employees should be returned to work as soon as possible, preferably within three days of the release. Institutions will need to work with the employee to accommodate any restrictions.

## **2. Report of the Finance Committee**

Dr. Collins highlighted the following issues from the July 10, 2003, Finance Committee meeting.

### **A. Guideline B-010 Collection of Accounts Receivable**

It was determined that the TBR website does not include any of the attachments to Guideline B-010. The official paper copy of Guideline B-010, maintained by the General Counsel's office, includes Attachments A-1 through C, although the guideline no longer includes references to Attachments A-1 and A-2.

Committee members reviewed all attachments for relevancy. The relevant attachments were renumbered and the guideline references updated. However, legal staff determined that the sections regarding rental income and bankruptcy proceedings were outdated. All revisions to Guideline B-010 were deferred until the October Finance Committee meeting.

### **B. Guideline G-080 Membership and Subscriptions**

The Finance Committee recommended raising the dollar amount of memberships and dues that require the Chancellor's approval to the bid limit amount of \$2,000. This guideline was researched for elimination in 1996 as part of the "push down" effort. It was determined that the guideline was adopted in 1982 to implement a Board of Standards policy and the list of memberships/subscriptions disapproved by the State Memberships, Dues, and Subscriptions Committee. A copy of the Board of Standards Policy could not be located in 1996 and elimination of the guideline was not pursued.

Ms. Crisp researched the current guideline and determined that revisions or elimination of the guideline would not require the Board of Standards approval. The BASC recommended retaining the current guideline but eliminating the provision requiring the Chancellor's approval (see Attachment A).



**C. Policy 4:02:20:00 Disposal of Surplus Property**

The Finance Committee recommended revisions to Policy 4:02:20:00 that would address internet auctions and permit the presidents to appoint a designee. Ms. Crisp noted that the TCA references included in Policy 4:02:20:00 are outdated.

The Committee recommended to BASC the proposed revisions, including an update of the TCA references, as included in Attachment B.

**D. Policy 4:03:03:00 General Travel**

The Finance Committee recommended revisions for the two items in Section XI. Moving Expenses that are out of compliance with IRS regulations (Attachment C). While the TBR travel policy allows reimbursement of mileage at the state rate of \$.32 per mile, IRS Publication 521 limits the reimbursement to \$.13 per mile. Additionally, the TBR travel policy allows reimbursement for the storage of household goods and personal effects for a period of up to 90 days, but IRS Publication 521 limits this period to 30 consecutive days.

The Committee also recommended institutions review moving expense reimbursements made in the current year. Any reimbursements exceeding those allowable by IRS Publication 521 are considered taxable income to the recipient and must be reported as such by the institution.

**E. TTC Single Check Limit**

The Finance Committee recommended revising Policy 4:01:01:10 Deposit and Investment of Funds to raise the TTC single check limit from \$1,500 to \$2,000 (Attachment D).

**F. Fee Subcommittee**

The Fee Subcommittee recommended development of a presentation for the Presidents Council that will set forth the Subcommittee's goals and the advantages/disadvantages of the models under review. The Subcommittee will use the Presidents' direction as to which models they are interested in pursuing. The Fee Subcommittee is working with UT personnel to ensure both systems are pursuing similar, although not necessarily the same, changes to their fee structures. Additionally, the Fee

Subcommittee is looking at different approaches for the two-year and four-year institutions.

## **G. GASB Subcommittee**

The GASB Subcommittee is working with State Audit, UT, and the Department of Finance and Administration on GASB 39 implementation issues. A statewide meeting will be held to further discuss how State Audit's foundation audit will be meshed with those foundations currently using outside audit firms.

The TBR GASB website has been updated with recent position papers, committee minutes, and revisions to the capitalization procedures.

It was noted during the input of IPEDS data that IPEDS expects the scholarship function to equal the scholarship object code. This is not true for TBR institutions since work scholarships and athletic scholarships are recorded in the functions in which the service is performed. The GASB Subcommittee recommended that all institutions force the scholarship function and object code to agree in the Notes to the Financial Statements; however, upon further reflection, the Subcommittee determined this decision should be left to each institution.

The Finance Committee minutes were approved.

## **3. Report of the Human Resources Officers Committee**

Debbie Johnson highlighted the following issues from the July 10, 2003, Human Resource Officers meeting.

### **A. Request for Proposal – Cancer/Intensive Care**

The RFP for cancer/intensive care coverage is scheduled for release on September 30, 2003. The enrollment period will be April and May 2004 and coverage will begin July 1, 2004. Participants in the current plan will be allowed to continue the current plan or migrate to the new coverage. No new enrollments will be permitted in the current plan.

### **B. Status of Update for Non-exempt Pay Plan**

Maurice Pittman is assisting Central Office personnel in this project. Demographic data has been collected from the July 2003 budget. The Position Information Questionnaire has been developed. Positions classified as skill levels 1 and 2 are under review. A completion date of June 04 has been established.

The systemwide plan will dictate the skill level for each job title. The rate of implementation will be left to each campus. BASC members expressed concern about flexibility of pay levels for certain job titles that are difficult to hire or keep in certain markets. Dr. Adams stated that the market component of the plan should address these concerns.

### **C. Advancing Our Mission Recommendations**

As part of the Advancing Our Mission initiative, campuses were asked for suggestions to streamline processes. Responses included suggested changes in the compensation and appointment guidelines. Legal Counsel reviewed the suggestions and recommended not making changes at this time due to the Geier Consent Decree and state legislation.

One suggestion that has been implemented is the elimination of the requirement to submit tear sheets for position advertisements. Tear sheet submission is no longer required.

The Human Resource Officers Committee minutes were approved.

### **4. M&O Expenses**

Dr. Adams discussed a THEC schedule of FY 03 and FY 04 maintenance and operation expenses. Some institutions have spent or plan to spend in excess of 120% of the m&o requirement. Dr. Adams requested that institutions review THEC's schedule (Attachment E) and campus records to determine if special circumstances exist for the high percentages. In future budgets, Board staff will request explanations for m&o expense percentages in excess of 120% of the m&o requirement.

### **5. Quarterly Contract Report**

Public Chapter 413 requires the Fiscal Review Committee to review all non-competitive negotiated purchases exceeding \$249,999 prior to execution of the order or agreement. A copy of the Public Chapter and a memo from the Department of Finance and Administration is attached (Attachments F and G). Institutions must submit the following seven items in their request for approval:

- a) description of service to be acquired
- b) explanation of the need for the service
- c) name and address of the contractors principal owners
- d) evidence the contractor has experience providing the same or similar service and evidence of the length of time the contractor has provided the same or similar service

- e) explanation of whether the service was purchased by the institution in the past, and if so, what method was used to acquire it and who was the contractor



- f) description of efforts to use existing employees and resources or, in the alternative, to identify reasonable, competitive procurement alternatives
- g) justification of why the service should be acquired through noncompetitive negotiation

Additionally, the Fiscal Review Committee will require a quarterly report of all personal, professional, and consulting contracts exceeding \$1,999. Dr. Collins inquired if contracts between MEAC and ETSU to share doctors should be included. Ms. Crisp suggested that all institutions review TBR Guideline G-030 for the definition of personal, professional, and consultant services. Mr. Cothorn suggested that institutions review all personal services contracts to determine if these are really employer/employee relationships.

## **6. Horizon Presentation**

Ward Brown and Todd Abner from Horizon Resource Group discussed the recently passed legislation that allows Tennessee higher education institutions to utilize group purchasing companies. If TBR signs an agreement with Horizon Group, institutions will be able to purchase from vendors using the pricelist negotiated by Horizon. The pricelist is maintained on Horizon's website and is accessible to members only. The institution will contact the vendor directly and indicate that they are eligible to receive the Horizon price. Horizon does not charge a membership fee to the institutions; instead Horizon receives a commission from the vendor.

BASC members inquired if a participation agreement is signed are institutions required to use Horizon's vendors. Mr. Brown indicated that institutions are not required to use Horizon's vendor, but encouraged institutions to utilize Horizon's vendors whenever possible. Horizon's vendors are expecting to generate a profit from the volume of higher education purchases.

While Mr. Brown and Mr. Abner stated that institutions could rely on Horizon's negotiated price to replace the bidding procedure, TBR and institution representatives did not believe that was the correct interpretation of the legislation. Instead, it is our belief that Horizon's price can be used as a bidder's response but that the bid process must still be followed. Mr. Brown and Mr. Abner will seek clarification from the Comptroller's Office.

## **7. Regional Node Concept**

Dr. Adams discussed the high priority Board members have placed on expanding to other institutions the regional node concept implemented by ETSU, NSTCC, and the TTC at Elizabethton. If institutions are unable to develop partnerships amongst themselves, Board members may assign institutions regional partners.

Several BASC members indicated that assigning regional partners would undermine the commitment of the presidents, which is key to the success of the node concept. Many staff members will feel threatened, and without the presidents articulating the importance of the project, some staff may not wholly participate.

Dr. Collins and Ms. Stinson discussed some of the ways the regional node concept has benefited all campuses. These include the sharing of best practices, use of a common IT image on all computers, on-the-job training for TTC students at ETSU's and NSTCC's physical plant, and instituting a program for transfer students in which ETSU advisors spend a day at NSTCC's campus with the students. Additionally, ETSU lets NSTCC students use their wellness center and dormitories.

## **8. Gramm-Leach-Bliley Act**

Nancy Washington, TBR Legal Counsel, discussed compliance with the Gramm-Leach-Bliley Act. Although the statute pertains to financial institutions, the Federal Trade Commission enacted rules that include higher education institutions. The FTC's rules require that all institutions develop a comprehensive, written Security Information Program to safeguard customers' nonpublic financial information held in the institutions' possession. TBR Legal Counsel is preparing materials to distribute to institutions to assist in drafting the Security Information Program. The materials will be mailed directly to institutions and posted on the TBR website.

## **9. Other Business**

- A revised schedule of the athletic general fund support was distributed. Revisions included adjustments for the 14% fee increase and the 3.3% operating inflation rate used by THEC in the funding formula calculation (Attachment H).
- Dr. Adams discussed the number of institutions that have requested revisions to the Estimated Budget for additional transfers. The FY 03 impoundment forced institutions to curtail spending which resulted in larger than anticipated fund balances at year-end. Dr. Adams requested that in future years, institutions analyze projected May and June expenses and ending fund balance and include needed transfers in the Estimated Budget.
- Dr. Adams discussed a finding State Audit is proposing that addresses personal use of assigned state vehicles. A situation arose at a TTC in which an employee's personal use of their assigned vehicle was considered excessive. State Audit is taking the position that the only allowable personal use is commuting miles. They are basing this position on a memo from Tommy Hall that states commuting miles is personal

usage miles. The auditors are interpreting the memo to mean that the only allowable personal usage is commuting miles. Until a TBR policy/guideline is drafted, please ensure that any personal usage of state vehicles is reasonable.

- Ms. Stewart distributed copies of the 2002 Single Audit Report. Institutions must maintain their copy of this report as the Department of Finance and Administration will conduct a follow-up to ensure that problems have been corrected and questioned costs have been resolved.
- Ms. Stewart distributed copies of a CD-ROM which contained the July Proposed Budget summary documents for all institutions.
- Mr. Simmons demonstrated a model he developed that predicts future proportions of state appropriation and student fee funding based on certain inputted values. These inputted values include growth in state appropriations, increases in student fees, growth in peer funding, etc.

There being no further business, the BASC adjourned.

**GUIDELINE G-080**

**SUBJECT: Memberships and Subscriptions**

I. General Statement

The following guidelines implement the State Board of Standards policy on membership dues and subscriptions paid for from State funds. Memberships and subscriptions purchased with restricted gift, grant, or contract funds are not subject to these guidelines. The guidelines apply to all TBR institutions (Universities, Community Colleges, and Technology Centers) and units except campus libraries, which are exempt from the guidelines in their entirety. Each president and director is responsible for enforcement of the provisions below.

II. Definitions

For purposes of these guidelines, the terms below are defined as follows:

- A. "Membership Dues or Subscriptions" are any expenditure from state funds by an institution or school which entitle subscription of material or membership, associate membership, or participation in activities of an organization.
- B. "Organization" is a group (public or private), association, or society whose purpose is to promote common interests and share information.
- C. "Publication directly related to the mission" means a publication without which the mission of the institution would be impossible or difficult to perform.

III. Approval

Each institution shall develop, make known, and enforce a process for approval of memberships and subscriptions. The president or director or designee(s) shall approve all memberships and subscriptions except as provided below.

IV. Criteria

- A. An institution may be a member of an organization or maintain subscriptions if the membership or subscription is directly related to the goals and mission of the institution.
- B. An institution may not pay the membership dues or subscription of an individual. An exception may be granted in instances where an organization does not permit institutional-membership or where an individual membership (in the name of an institutional representative) is less expensive than an institutional membership. However, memberships necessary to maintain or enhance an employee's professional status (e.g. American Institute of Certified Professional Accountants or Bar membership dues) should be considered the responsibility of the employee and the association dues considered a personal expense.
- C. Duplicate memberships and subscriptions should be evaluated with the intention of providing only one membership/subscription per institution-

~~D. Membership dues and subscriptions costing in excess of \$1,000 per year must be approved initially by the Chancellor. A written request for approvals must be submitted by the president or director and include an explanation of the specific benefit the institution expects to derive. In subsequent years, provided that the annual cost of the membership or subscription has not increased by more than ten percent, approval of the president or director, but not of the Chancellor, shall be required.~~

~~D. E.~~ Where membership dues are included as part or all of the expense of an organization meeting for which the institution pays the expense of an employee to attend, the appropriate expenses shall be considered membership dues under these guidelines and should be subject to the established membership approval process.

~~E. F.~~ Faculty and staff membership in civic organizations is encouraged; however, state funds may not be used to pay for memberships.

~~F. G.~~ No institution may subscribe to political publications for other than instructional purposes.

~~G. H.~~ An institution may subscribe to newspapers within its service area for public information and instructional-related purposes only. The only exceptions to the above are that the athletic department may subscribe to newspapers outside the institution's service area, and that subscriptions to newspapers with national distribution may be held for instructional purposes.-

~~H. I.~~ Newspaper clipping services must be approved by the Chancellor. The need for the service shall be clearly set forth in writing. The written justification should address the following points:

1. The subjects to be clipped.
2. The type of clipping service requested. (For example, all statewide daily newspapers.)
3. The use of information provided by the service.
  - a. Who the clippings are circulated to in the institution
  - b. How the clippings benefit the institution
4. A statement that the clipping service is the most economical means of fulfilling the institution's-need

~~I. J.~~ Exceptions

Exceptions to these guidelines may be approved by the Chancellor.

Source: May 25, 1982 SBR presidents meeting. Revised July 1, 1984; Presidents Meeting February 13, 2002

**POLICY 4:02:20:00**

**SUBJECT: Disposal of Surplus Personal Property**

The following policies and procedures concerning the disposal of surplus personal property shall be followed by all institutions and area vocational-technical schools governed by the State Board of Regents.

**1. Definition of Surplus Personal Property**

"Surplus personal property" means that personal property which has been determined to be obsolete, outmoded, unusable or no longer usable by the institution or school, or property for which future needs do not justify the cost of maintenance and/or storage. Such property must be declared "surplus personal property" by the president **or designee** of the transferring institution or director of the transferring school; provided however, property need not be declared surplus where disposition is through the trade-in method.

**2. General Rules**

(a) Surplus personal property is either usable property, which shall be transferred or sold, or unusable property, which may be destroyed, as hereinafter provided:

(1) Surplus personal property which is perishable food may be destroyed without delay or notification.

(2) Surplus mattresses may be destroyed or may be otherwise disposed of only upon compliance with T.C.A. ~~Sections 53-2208 through 53-2221~~ **12-2-403**.

(3) Surplus personal property which is determined to be not usable by the institution or school and of little or no salvage or other economic value may be destroyed by an appropriate method.

(4) The institution or school shall follow the procedures described in Section 3(c) of this policy, prior to disposal of all other surplus personal property.

(b) Surplus personal property in which the Federal Government or other entity has a legal interest should be transferred to such entity when no longer needed.

(c) It is unlawful for any state official or employee, including System employees, to purchase from the state except by bid at public auction any surplus property during the tenure of his office or employment, or for six (6) months thereafter. A purchaser who

violates this provision is guilty of a misdemeanor under T.C.A. **12-2-412**. ~~Section 12-246 and punishable by a fine of five hundred (\$500.00) dollars or two and one-half (2 1/2) times the value of the surplus property, whichever is greater.~~

(d) For all sales to individuals except at public auctions, the transferring institution or school conducting the sale shall obtain from the purchaser a signed disclaimer certifying the purchaser is not a state or System employee and that the purchaser is not buying the property for or on behalf of any state or System employee.

(e) All employees of the State Board of Regents System and their immediate families, shall be ineligible to bid for or purchase surplus personal property except by bid at public auction.

(f) Possession of surplus personal property sold to the general public under any method prescribed under Section 3(c) of this policy shall not pass until payment is made by cash, or if payment is made by cashiers check or certified check, possession shall not pass until the check is honored by the drawee bank.

(g) Possession shall pass to System institutions and schools, political subdivisions of the state, and other governmental entities upon receipt, by the institution or school, of purchase vouchers of such institutions or schools, political subdivisions, or other governmental entities. Title to motor vehicles sold as surplus property to political subdivisions and other governmental entities shall be closed as to transferee when title is passed.

### **3. General Disposal Procedures**

(a) The president of each institution and director of each school **or their designee** shall declare personal property to be surplus personal property prior to disposition as such; provided however, property need not be declared surplus where disposition is through use of the trade-in method.

(b) The president or director **or their designee** shall designate the department or individual at the institution or school responsible (hereinafter referred to as "responsible authority") for the disposal of surplus personal property, and the communications and procedures concerning the disposal of surplus personal property.

(c) No article of personal property may be disposed of as surplus except by one of the following methods:

(1) Trade-in, where such is permitted due to the nature of the property or equipment and subject to the provisions of T.C.A. ~~Sections 12-235 through 12-248~~ **12-2-403** and the rules of this policy;

(2) Transfer to other institutions and schools within the State Board of Regents system;

- (3) Transfer to other state agencies;
- (4) Sale to eligible political subdivisions of the state and other governmental entities;
- (5) Public auction, publicly advertised and held;
- (6) Sale under sealed bids, publicly advertised, opened and recorded;
- (7) Negotiated contract for sale, at arms length; but only in those instances in which the availability of the property is recurring or repetitive in character, such as marketable waste products;
- (8) Disposition through the Department of General Services as provided in the Department Rules and Regulations.
- (9) Donations to a public school or public school system.

**(10) Sale by Internet auction.**

(d) If the president or school director **or their designee** declares the property to be surplus personal property, the method of disposal shall be determined by the responsible authority from the alternatives set forth in Section 3(c) of this policy. Written documentation for the selection of method of disposal shall be maintained. The trade-in method, where property is of the nature appropriate for trade-in, and transfer to other institutions or schools in the State Board of Regents System shall be the first and second priority methods, respectively, for disposal of surplus personal property, except for waste products which shall be disposed of as further provided in this policy. In the selection of other methods of disposal, the following criteria shall be considered:

- (1) The character, utility and functionality of the property;
- (2) The economics of disposal in light of all relevant circumstances attendant the proposed disposal, including the condition and climate of the potential market and present estimated market value of the property, transportation costs, and other cost factors associated with disposal; and
- (3) Sound fiscal and budgetary policy and practices.

(e) The method of disposal selected in the preceding section shall be implemented pursuant to the specific procedures set forth in this policy for such disposition.

(f) The responsible authority at the institution or school shall be responsible for the maintenance of accountability on all items of surplus personal property, and shall ensure that adequate audit and inventory trails on all items of surplus personal property are maintained. Such authority shall make the final determination of the fair market value of surplus personal property for purposes of calculating reimbursements to the transferring



institution or school and to determine whether property may be destroyed pursuant to Section 2(a) (3).

(g) Nothing shall prohibit an institution or school from simultaneously providing notice of an intended disposition of surplus personal property to all System institutions and schools and all state agencies as specified in Section 5(a) and 6(a) below. In such event, if no System institution or school has requested the property within 30 days of the initial notice, the first state agency which had requested the property within such time shall be entitled to receive the property upon reimbursement as provided in Section 6 below.

#### **4. Trade-In On Replacement**

(a) Items that must be replaced may, subject to the requirements of this section, be traded in on replacement property.

(b) The responsible authority of the institution or school shall perform the following functions in connection with the trade-in method of disposal:

(1) Issue invitations to bid asking for bids with trade-in and without trade-in and receive and review bids;

(2) Make an evaluation of the condition and fair market value of the property to be disposed of;

(3) Through comparisons of bids and the evaluation prepared, make a determination whether it is in the best interests of the institution or school to dispose of the property by trade-in or by one of the other methods of disposal.

#### **5. Transfer to System Institutions and Schools**

(1) Except where the trade-in method is utilized or where the property is to be disposed of as a waste product, the responsible authority at the institution or school shall provide to the president, or school director, **or their designee**, or appropriate departments and/or individuals at all other institutions and schools in the System and to the offices of the Board of Regents, a notice of intended disposition which shall include the name of the individual to contact for additional information, the location of the property for inspection, a description of the property, the condition of the property and the original cost and fair market value of the property as determined by the responsible authority. The initial notice of available surplus personal property may be made at periodic intervals for the purpose of consolidating notices on numerous items of such property for convenience.

(b) The first institution or school which makes a written request for the available surplus personal property shall be entitled to receive such property. If the fair market value of property requested by an institution or school as determined by the responsible authority

at the transferring institution or school is in excess of three hundred fifty dollars (\$350.00), the requesting institution or school may issue a purchase order for such property and shall reimburse the transferring institution or school for the fair market value of the property.

(c) In the event that no institution or school requests transfer of available surplus personal property within 30 days of the date of the initial notice, the property may be disposed by means of another appropriate method of disposal.

## **6. Transfer to Other State Agencies**

(a) Where transfer to other state agencies is the method of disposal selected, the responsible authority of the institution or school shall provide notice of the intended disposition to the commissioner or chief executive officer of all state agencies which shall include all information specified in the notice required by Section 5(a).

(b) The first state agency which makes a written request for the available surplus personal property shall be entitled to receive such property. If the fair market value of property requested by a state agency as determined by the responsible authority at the transferring institution or school is in excess of three hundred fifty dollars (\$350.00), the property will be made available for transfer upon reimbursement for the fair market value of the property.

(c) In the event that no state agency requests transfer of available surplus personal property within 30 days of the date of the initial notice, the property may be disposed by means of another appropriate method of disposal.

## **7. Sale of Surplus Property to Governmental Entities**

(a) Political subdivisions of the state and other eligible governmental entities may purchase surplus personal property by submission of sealed bids for such property to the responsible authority of the institution or school no later than two (2) days prior to a public auction held for disposal of such property. Such bids shall be opened two (2) days prior to such public auction and the highest bid shall be selected unless the responsible authority decides that the highest bid does not represent the fair market value. The responsible authority may reject such bids and may negotiate with the political subdivisions of the state and other entities which have submitted bids in order to obtain a fair market value. In the event negotiation does not result in a fair market value, such property shall be disposed of by public auction.

(b) Political subdivisions of the state and other governmental entities shall retain possession of surplus property purchased from System institutions or schools for at least one (1) year unless disposal is approved by the Board of Standards. Any profit realized from the resale of such property shall revert to the state or the System as their interests may appear. (c) Any sale of automobiles by a System institution or school to a county,

municipality or other political subdivision or governmental entity shall become null and void and such property shall revert to the state, or the System as their interests may appear, in the event that such political subdivision or governmental entity does not transfer the registration of title to such automobile to its name within seven (7) days after the sale.

## **8. Public Auctions and Sales Under Sealed Bids**

(a) Public auctions and sales under sealed bids, as provided in this policy, shall be publicly advertised and publicly held. Notice of intended disposal by public auction or sale under sealed bid shall be entered by the responsible authority of the institution or school in at least one (1) newspaper of general circulation in the county or counties in which the disposal is to be made reasonably describing the property and specifying the date, time, place, manner, and conditions of the disposal. The advertisement shall be entered in the public notice or equivalent section of the newspaper and shall run not less than three (3) days in the case of a daily paper and not less than twice in the case of a weekly. The disposal shall not be held sooner than seven (7) days after the last day of publication nor later than fifteen (15) days after the last day of publication of the required notice, excluding Saturdays, Sundays and holidays. Prominent notice shall also be conspicuously posted for ten (10) days prior to the date of disposal, excluding Saturdays, Sundays and holidays, in at least two (2) public places in the county or counties where the disposal is to be made. Furthermore, notice shall be sent to the county court clerks of the county in which the sale is to be made, and all contiguous counties in Tennessee, except where the fair market value of all the property to be sold is determined in writing by the president or director or his or her designee to be less than \$500.00.

(b) A mailing list shall be developed for mailing to eligible governmental entities and potential buyers of surplus items.

(c) No person, firm or corporation shall be notified of any public auction or sale except as provided by this policy.

(d) Each institution and school should attempt to include as many items in each sale as is practical and feasible.

(e) All notices of sales of such property shall provide that the property is to be sold "as is" with transportation costs assumed by the purchaser. The notice shall state that the only warranty provided, expressed or implied, is the seller's right, title and interest to the property sold.

(f) All sales by bid or auction shall be with reserve, and where bids received are unreasonably below the fair market value as determined by the responsible authority of the institution or school, all bids shall be rejected and the property shall be thereafter disposed of pursuant to other acceptable methods of disposal.

## 9. Disposal of Waste Products

(a) Marketable waste products such as paper and paper products, used lumber, bottles and glass, rags, and similar materials of nominal value classified as scrap may be sold directly to dealers at the going market rate without soliciting bids. Each institution and school shall keep a record of the volume and unit price of such materials sold on the scrap market.

(b) Waste products which are subject to storage and are normally accumulated until such quantities are available to make a sale economically feasible shall be sold under sealed bids as follows:

(1) Invitations to bid shall be mailed to known buyers of the particular item;

(2) Three firm bids shall be secured where possible;

(3) Sealed bids shall be publicly opened and recorded ten (10) days, excluding Saturdays, Sundays, and holidays, after the invitations to bid are mailed;

(4) The highest bidder shall be awarded the contract and shall be notified of the date for removal of the property and the method of payment which will be acceptable;

(5) A file shall be maintained for each disposal for the purpose of documenting the sale and should include all documents and information pertinent to the disposal.

(c) Anything to the contrary notwithstanding, surplus personal property which is determined to be unusable and of little or no salvage or other economic value may be destroyed by an institution or school as provided in Section 2(a) (3).

## 9. Sale by Internet

**Notice of intended disposal by Internet auction shall be posted on the Internet. Such notice shall specify and reasonably describe the property to be disposed of, the date, time, manner and conditions of disposal, all as previously determined by the responsible authority.**

## 10. Exceptions

Surplus personal property may be disposed of by a method other than those listed in Section 3(c) of the policy only upon request by the president or director of the transferring institution or school **or their designee** and approval by the Chancellor or his or her designee.

Source: SBR Meetings, June 29, 1979; September 30, 1983; March 7, 1997.

Policy No. 4:03:03:00

SUBJECT: General Travel

The following policy applies to the travel of all employees of the institutions and Tennessee Technology Centers governed by the Tennessee Board of Regents, as well as members of the Board staff, in the performance of their official duties. Provisions of this policy also may apply to individuals other than employees who are authorized to travel at institutional, school, or Board expense. Specific provisions of the policy also address the travel of Board members, pursuant to Tennessee Code Annotated 4-3-1008. Authorization for travel will not be granted and expenses will not be reimbursed unless the travel is made and reimbursement claimed in accordance with this policy and any approved exceptions hereto.

This policy and specific reimbursement rates for travel expenses allowed under this policy shall be consistent with those of the Comprehensive Travel Regulations of the State of Tennessee. Exceptions which may be deemed necessary and approved by the Board shall be submitted for consideration by appropriate State officials. Current reimbursement rates shall be issued by the Chancellor as an addendum to this policy.

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Addendum

II. General Provisions

- 1. No authorization for travel by any employee shall be granted, and no reimbursement for travel expenses shall be made, except in accordance with the provisions of these policies and procedures. Reimbursement for travel expenses shall be limited to expenses incurred upon travel authorized in advance in accordance with Section III.

2. Travel which may be authorized, and pursuant to which expenses may be reimbursed, shall be limited to the following:

- a. Travel which is necessary for the proper execution of official System business, or in justifiable pursuit of an institution's or school's educational and research objectives; or
- b. Travel to meetings and conferences of a professional nature which will increase the attending employee's usefulness to the System.

3. Travel shall not include, and no reimbursement for expenses shall be made for, transportation in connection with an employee's official station of employment. The employee's "official station" is his or her regular area of employment activity, e.g., office headquarters, campus, or designated location of an employee established in the field.

The official station of an employee shall be designated by the appointing authority. It is normally expected that the official station is that location at which the employee spends the major portion of his working time. For an employee required to be on call (as determined by his or her job description), either overnight or on weekends, the official station of the employee while on call becomes his or her residence, or the location at which the employee receives the call. Reimbursable mileage begins at the location at which the employee receives the call.

4. The employee is considered to be on official travel status, and as such, eligible for reimbursement of travel expenses, at the time of departure from the employee's official station or residence, whichever is applicable, for the purpose of traveling on state business. Expenses for meals will be allowed when overnight travel or occasional excessive hours of work are required outside the county of the employee's official station or residence. En route lodging will be allowed for only one day each way on trips of long duration. Expenses for lodging will only be allowed in cases where the approved and most direct or expeditious mode of travel will require more than ten (10) hours of continuous travel for trips of long duration. The lodging expense will not be considered en route lodging if it does not add an additional day of lodging expense. For example: An employee has a 9:00 a.m. meeting in Atlanta, GA. Assume the employee needs to work a full day prior to the trip. It would be less expensive and more convenient to drive rather than fly. The employee leaves the night before and drives to within two hours of Atlanta. They spend the night, continue the drive the next morning and arrive for the 9:00 a.m. meeting. This will be reimbursed but is not considered en route lodging as it did not add an additional day of lodging expense to the normal travel expenses.

5. The limitations on travel expenses contained herein are maximum amounts above which reimbursement shall not be made. Employees are expected to be as conservative as possible in incurring travel expenses.

6. Reimbursement for travel expenses shall only be allowed for actual expenses incurred, subject to the maximum limitations shown on the Addendum. Receipts must accompany claims for reimbursement for all expenses exceeding the amount cited on the Addendum. The exceptions to this rule are for meals, taxi fares, tolls and ferry fees, with no receipt required. Lodging receipts are required and must itemize room charges and taxes.

### III. Authorization of Travel

1. Approving Authorities - The president or director or his or her designees shall have authority to approve travel by employees of the various institutions and schools. The Chancellor or his or her designees shall have authority to approve travel by employees of the Board. Authorization for travel by a student, regardless of the destination, shall be approved by the president or director of the institution or school or his or her designee.

2. In-State Travel - All employees must obtain prior authorization for in-state travel by the

employee's appropriate approving authority. Written authorization may not be necessary for in-state travel where the expected expenses will not be substantial, or when there is no advance notice of the circumstances necessitating the travel, and such travel is approved orally by the appropriate approving authority. Employees whose employment requires frequent in-state travel may obtain blanket authorization in writing for such travel.

3. Out-of-State Travel - All employees must obtain prior written authorization for out-of-state travel, which must be approved by the employee's appropriate approving authority. The authorization must show the name of the person traveling, purpose of the trip, destinations, date of departure and return, mode of transportation, estimated expenses, and availability of funds. If, in the normal course of official business, the employee must routinely travel into another state and back in the same day, such travel will be considered in-state travel and shall be subject to the in-state travel provisions. This exception applies for trips which do not exceed 50 miles into another state. Employees whose employment requires frequent out-of-state travel may obtain blanket authorization in writing for such travel.

4. Canada Travel - Authorization for travel by an employee to Canada shall be approved by the president for employees of institutions, the Vice Chancellor for Vocational Education for employees of the schools, and the Chancellor for employees of the Board.

5. All Other Travel - Authorization for travel by an employee to Alaska, Hawaii, and all other out-of-country travel shall be subject to recommendation by the president of an institution in the case of institutional employees, the director of the school in the case of school employees, and written advanced approval by the Chancellor.

#### IV. Transportation

1. General - All travel must be by the most direct or expeditious route possible, and any employee who travels by an indirect route must bear any extra expense occasioned thereby. When work is performed by an employee in route to or from the official station, reimbursable mileage is computed by deducting the employee's normal commuting mileage from the actual mileage driven in performing the work in route to or from the official station. For example, if an employee normally commutes 10 miles (20 miles round trip), and performs work on the way home from the official station which results in 12 miles driven, the mileage reimbursement will be for 2 miles only, as that is the amount of mileage in excess of the employee's normal commute. In no instance shall mileage claimed for reimbursement exceed actual miles traveled.

2. Mode of Transportation - Transportation for employees traveling singly should be by common carrier (air, train, or bus) whenever practical. The use of air travel is recommended when time is an important factor or when the trip is so long that other methods of travel would increase the subsistence expense. Automobile transportation may be used to save time when common carrier transportation cannot be satisfactorily scheduled, or to reduce expenses when two or more employees are making the trip. Reimbursement for personal vehicle use may be claimed at the standard mileage rate provided that the cost of such reimbursement is less than comparable cost of commercial transportation including taxi fares and/or limousine charges.

3. Common Carrier Travel - When travel is by common carrier, the fare must not exceed the regular tourist fare charged the general public, and advantage must be taken of round trip rates when available. The employee's copy of the ticket, or an acceptable receipt, must be submitted for reimbursement of common carrier expenses.

4. Automobile Travel - When travel by automobile is appropriate, employees may use state-owned automobiles whenever available and feasible. However, state-owned vehicles should be used only on official business.

a. State Owned Automobiles - When transportation is by a state-owned automobile, tolls, parking, gasoline

and storage expenses are allowable. When using motor pool automobiles, employees will be furnished with courtesy cards for purchase of gasoline, oil, and other automobile services, and such expenses should not be claimed by employees as travel expenses. Emergency out-of-pocket expenses, such as towing or emergency repairs, will be reimbursed but must be accompanied by proper receipt identifying the automobile and itemizing the services. Such expenditures must be of an emergency nature where immediate service is required and access to a state facility is not possible. Major repairs should be approved by campus officials prior to work being performed. Such expenditures are allowed but should be filed for reimbursement separately.

b. Personally-Owned Automobiles - Use of a personally-owned automobile must be authorized. Mileage reimbursement rates are provided on the Addendum. The authorized mileage allowance includes all operating expenses such as gas, oil, and repairs precluding any separate claim for such items.

c. The travel claim must indicate the employee's itinerary and must show the official business mileage. Business mileage as indicated by the official state map, and that published by Rand-McNally for out-of-state routes will be regarded as official. Vicinity mileage must be reported on a separate line and not included with point-to-point mileage. Only mileage on official business may be claimed.

d. Necessary charges for hotel and airport parking will be allowed provided that airport parking fees do not exceed normal taxi fare to and from the airport or the cost of two round trips in the employee's personal car (see item 10 below). Receipts must be furnished on airport and hotel parking.

5. Limousine and Taxi Service - When travel is by common carrier, reasonable limousine and taxi fares will be allowed for necessary transportation. Bus or limousine service to and from airports will be used when available and practical. After arrival at destination, necessary taxi fares for traveling between hotel or lodging and meeting or conference will be allowed. No receipt is required for reimbursement of reasonable taxi fares.

6. Car Rentals at Destination - Charges for automobile rental shall be allowed whenever it is more economical than alternative methods of transportation or it is the only practical means of transportation. Charges for insurance for rented automobiles are not reimbursable. Whenever possible, employees should refuel before returning vehicles.

7. Tolls and Ferry Fees - Reasonable tolls and ferry fees will be allowed when necessary. No receipt is required for reimbursement of tolls and ferry fees.

8. Daily Parking Fees - Daily parking fees for those employees working in downtown offices will not be allowed. However, if an employee is required to leave his office on official business and later returns the same day, the actual additional charge required to park will be reimbursed up to the maximum indicated (see Addendum). Also, those employees required to utilize commercial parking facilities in the daily performance of duties, or while on travel status, will be allowed reimbursement for actual costs. Receipt is required if the fee exceeds the maximum indicated per day (see Addendum).

9. Unnecessary meals and lodging expenses which are occasioned by the use of an automobile for reasons of the employee's personal convenience, or which are due to travel by an indirect route, will not be allowed.

10. If travel is by common carrier, the employee will be reimbursed for expenses in traveling to and from the common carrier including but not limited to the reasonable cost of one of the following options, whichever is less:

a. one round trip taxi fare,



b . or parking of the employee's personal car at the location of the common carrier, plus mileage of one round trip,

c. or mileage of two round trips in the employee's personal car (subject to a 200 mile maximum for two round trips).

Receipts must be furnished on airport and hotel parking exceeding maximum parking allowance in Addendum.

## V. Lodging

1. In-State Lodging - Lodging expenses incurred within the state while on authorized travel will be reimbursable to the maximum shown on the Addendum.

2. Out-of-State Lodging - Lodging expenses incurred out of the state while on authorized travel will be reimbursable to the maximum shown on the Addendum. The maximum reimbursement rates for out-of-state travel are the same as those maintained by the U. S. General Services Administration for federal employees within the continental United States (CONUS). The CONUS list, available on the General Services Administration web site, contains a standard reimbursement rate for lodging and meals and incidentals, and several pages of exceptions. Most destinations for out-of-state travel fall within the list of exceptions. En route lodging will be allowed for only one day each way on trips of long duration. En route lodging will only be allowed in cases where the approved and most direct or expeditious mode of travel will require more than ten (10) hours of continuous travel. (Refer to Section II.4. for explanation of en route lodging expenses.)

3. Additional Lodging Expenses - Sales taxes on lodging costs will be reimbursable.

Higher rates for lodging at the location of a convention or conference will be allowed, without special approval, up to the amount indicated in the convention or conference brochure. If more than one rate is indicated, the lowest rate is the amount which will be reimbursed. However, the employee should attempt to receive a government rate for the lodging. If the lowest rate indicated in the convention or conference brochure is unavailable, approval of the higher rate must be obtained from the appropriate approving authority. Additional lodging for presidents/directors will be approved on the same basis as approval is granted for other employees. Any exceptions must be approved by the Chancellor. The convention or conference brochure which indicates the lodging rates must be included with the travel claim. Otherwise, reimbursement will be limited to the applicable lodging rate as provided in these regulations.

4. Shared Lodging - When employees share a hotel room, each employee should claim a proportionate share of the room cost, and include an explanation with his or her travel claim detailing dates and other employees with whom the room was shared.

If a room is shared with other than a state employee, actual cost subject to the maximum in the Addendum will be allowed. The receipt for the entire amount should be submitted with the expense account.

## VI. Meals

1. In-State and Out-of-State Meals - Meals while on authorized travel will be reimbursed, subject to the meal allowance provided on the Addendum. The maximum per diem rates include a fixed allowance for meals and for incidental expenses (M&I). The M&I rate, or fraction thereof, is payable to the traveler without itemization of expenses or receipts. Incidentals are intended to include miscellaneous costs associated with travel such as tips for baggage handling, phone calls home, etc.

The M&I rates for out-of-state travel are the same as those for federal employees, and are available on the

General Services Administration's web site. As with lodging, there is a standard rate for the continental United States (CONUS), and a list of exceptions. Reimbursement for meals and incidentals for the day of departure shall be three-fourths of the appropriate M&I rate (either the in-state rate or CONUS rate for out-of-state travel) at the rate prescribed for the lodging location. Reimbursement for M&I for the day of return shall be three-fourths of the M&I rate applicable to the preceding calendar day. To assist in this calculation, the following table lists partial per diem rates for meals and incidentals for in-state and out-of-state travel.

Per Diem Rates – Three-fourths Calculations

\$30	\$22.50
\$34	\$25.50
\$38	\$28.50
\$42	\$31.50

The following table may be used to determine reimbursement for a single meal, when appropriate. Reimbursement for meals will not be permitted when overnight travel is not involved.

In-State and Out-of-State of Tennessee

Meals and Incidental – Allocated by Meal

Per diem	30	34	38	42
Breakfast	6	7	8	9
Lunch	8	9	10	11
Dinner	14	16	18	20
Incidentals	2	2	2	2

2. Official Banquets - When the expenses for an official banquet of a meeting or conference is in excess of the meal allowance, the excess will be allowed provided a receipt or proper explanation of the charge is submitted.

VII. Miscellaneous Expenses

1. Personal Expenses - Expenses for entertainment (employee or others), laundry, valet service, tips and gratuities, etc., are personal expenses and will not be reimbursed in excess of the incidental portion of the M&I rate.

2. Telephone, Telegram and Fax Expenses - Charges for long distance telephone calls, telegrams, and/or fax on official business will be allowed provided a statement is furnished showing the date, the name and location called, and the purpose of the call. Charges for necessary local calls on official business will be allowed.

3. Registration Fees - Registration fees for approved conferences, conventions, seminars, meetings, etc., will be allowed including cost of official banquets and/or luncheons, if authorized in advance by the

appropriate approving authority, and provided receipts are submitted with the travel claim.

4. Handling Fees - Fees for the handling of equipment or promotional materials will be allowed up to the maximum indicated (see Addendum).

### VIII. Claims

The standard form for claims for travel expenses approved by the President, director or Chancellor shall be used for reimbursement of expenses. The form must show movement and detail of expenses on a daily basis, be signed in ink by the employee, and be approved by the appropriate approving authority prior to reimbursement. All signatures on travel claims must be original. Receipts for appropriate expenses must be attached to the form. Expenses for books, supplies, postage, and other items that do not constitute actual traveling expenses should not be included in the claim form. Claims for reimbursement for travel expenses should be submitted no later than thirty (30) days after completion of the travel.

### IX. Travel Advances

1. General - Normally, travel expenses should be paid when incurred by an employee, with reimbursement made to the employee for actual expenses upon proper submission of a claim for travel expenses. Advances to employees for anticipated travel expenses may be made under the circumstances hereinafter described as (1) permanent travel advances and (2) temporary travel advances except as provided in Section X.3. All travel advances must be approved by the president or his or her designees for employees of the institution, the director for employees of the school, and the Chancellor for employees of the Board.

2. Permanent Travel Advances - When an employee has blanket travel authorization, and is expected to travel the major portion of each month, the employee may be placed upon permanent travel status. Upon determination of the employee's estimated monthly expenses, if such expenses exceed \$100, the employee may be provided with a single advance in an amount sufficient to cover such expenses for one month, provided such amount may not exceed the semi-monthly salary of the employee. Subsequent to the initial advance, the employee shall submit appropriate claims and be reimbursed as heretofore provided, with any unused portion of the advance to be returned upon termination of the employee's permanent travel status.

3. Temporary Travel Advances - When temporary travel is authorized for an employee, the employee may receive an advance, provided a request for the advance, including estimated expenses, is submitted to the appropriate approving authority with the request for written authorization for the travel, and is approved. An amount equal to 80% of the estimated expenditures will be allowed as an advance, however, no advance less than \$100 will be made. Students traveling under individual authorizations or an employee traveling with a student or students who is responsible for disbursing all funds for the trip may be advanced 100% of the amount of the authorization.

4. Payroll Deduction Authorization - Each employee receiving a permanent or temporary travel advance for the first time must sign a payroll deduction authorization form which will allow the State to recover the advance from any salary owed the employee in the event of termination of employment or failure to submit a travel claim. This deduction from payroll should be used as a last resort only in the event all other efforts to collect the advance have failed.

5. Expense Claim - Upon return, the employee should submit an expense claim detailing his actual expenditures. This claim should show the total expenses incurred. The advanced amount should be subtracted from this total. A voucher should then be prepared requesting the additional amount due the employee. No advance should exceed actual expenses. If this does happen, however, the excess should be returned by the employee to the business office for deposit as a credit against the original advance with proper distribution being made of the actual expenses incurred. In the latter instance, the expense account claim should be forwarded to the business office with notification to file it with the advance request.

## X. Corporate Credit Cards for Travel

1. General – Individual institutions and/or the Board Office may arrange for corporate credit cards to assist with travel expenses.
2. Membership - Corporate credit cards are made available to designated employees, with the employees personally responsible to the card vendor for all amounts charged to the card.
3. Advances - Travel advances, permanent or temporary, shall not be issued to:
  - a. any employee who is issued a corporate card, or
  - b. any employee who is designated but chooses not to apply for a corporate card.
  - c. any employee who has had his/her corporate card cancelled or was refused a card based on the vendor's credit requirements.

Institutions may make individual exceptions to the above provisions when the circumstances are determined to warrant such exception.

4. Reimbursement - Reimbursement for travel expenses shall only be allowed for actual business expenses incurred, subject to the provisions of Section II, Item 6, and the maximum limitations shown on the Addendum.
5. Cancellations - The Tennessee Board of Regents and/or the card vendor may cancel an employee's corporate card at any time. In the event of cancellation of a corporate card, the Tennessee Board of Regents or appropriate institution shall promptly notify the employee of the cancellation and use its best efforts to obtain the canceled corporate card and return it to the card vendor.
6. Termination - The Tennessee Board of Regents and its institutions shall notify the card vendor if a cardholder's employment is terminated, and the effective date of such action. Each institution shall establish procedures to collect corporate cards from terminated employees and return them to the card vendor.

## XI. Moving Expenses

1. Authorization
  - A. Payment of moving expenses must be approved in advance by the President or designee.
  - B. Approval of moving expenses may be made when considered in the interest of the institution and when such payment is a part of the employment negotiation with a new employee or the relocation of a current employee.
  - C. No moving expenses will be authorized or paid which would not qualify for a deduction under Section 217 - Moving Expenses - of the Internal Revenue Code.
  - D. Expenses and allowances as provided in these regulations shall not be allowed unless and until the employee agrees in writing to remain in the service of the institution for a period of twelve (12) months following the effective date of move, unless separated for reasons beyond his or her control and acceptable to the institution concerned. For faculty on an academic or modified fiscal year basis, the employment service shall be one regular academic year of two semesters or the normal work period associated with a

modified fiscal year appointment. The service agreement statement should be maintained in the employee's personnel file. In case of a violation of such an agreement, including failure to effect the transfer, any funds expended by the institution for such expenses and allowances shall be recoverable from the employee concerned as a debt due the institution.

## 2. Expenses Subject to Payment/Reimbursement

A. Possible expenses subject to payment or reimbursement will be actual cost of moving household goods and personal effects, travel expenses directly associated with the movement of household goods and effects, and temporary storage of goods and effects.

B. The actual cost of moving goods and effects may include the cost of commercial moving companies, rental of moving vans/trucks and operating cost (gas) of these rentals, and the cost of packing/unpacking (including labor and materials). Moving and rental companies' insurance charges may be included.

C. Travel expenses directly associated with a move may include mileage of all owned vehicles and en route lodging.

Lodging may be covered for the employee and all immediate family members residing in the household. En route lodging may be provided for one night if the distance of the move is 400 miles or more, plus one additional night for each additional 400 miles. Lodging for one night at the destination may be permitted.

~~Mileage and~~ Lodging will be consistent with the Tennessee Board of Regents travel policy rates. **Mileage will be reimbursed at the current IRS rate for moving mileage.** Travel expenses incurred when moving from another state to Tennessee will be reimbursed at the out-of-state rates.

For the purpose of these regulations, immediate family is defined as any of the following named members of the employee's household at the time he/she reports for duty at his/her new official station: spouse, children (including step-children, adopted children, or foster children) unmarried and under 21 years of age or physically or mentally incapable of supporting themselves regardless of age, or dependent parents of the employee and the employee's spouse.

D. If two or more members of an immediate family otherwise qualify for reimbursement or allowances under these regulations as Tennessee Board of Regents employees, only one member shall be eligible for employee reimbursement or allowances; the other is eligible for reimbursement as a family member.

E. Storage of household goods and personal effects may be allowed for a period **of 30 consecutive days.** ~~not to exceed 90 days.~~

## 3. Arranging for Moving and Payment

A. If the total moving expense authorized exceeds \$5,000 and if the institution agrees to pay all of the cost of a commercial mover, the institution must arrange for the mover through normal purchasing procedures. The vendor should be paid directly by the institution.

B. In all other cases, the institution may require, at its option, that arrangements be made through its purchasing department or the employee may make the arrangements and seek reimbursement.

C. Only arrangements made directly by the institution will be reimbursed directly to vendors by the institution. In other cases the institution should reimburse the employee. Claims for reimbursement must be supported by an invoice.

#### 4. Other Provisions

A. Moving expenses will be paid or reimbursed only after a contract is executed between the employee and the institution. See Attachment A.

B. All travel and travel expenses shall be accomplished as soon as possible, but in no event shall the effective date of the move to the completion of travel and transportation exceed twelve (12) months unless written extension is granted by the President/Director of the institution/school. All payments or reimbursements must be made within twelve (12) months of the date employment begins for new employees or relocation occurs for relocated employees.

C. The agreement on the amount of moving expenses to be paid, the type expenses to be paid, responsibility for arranging logistics, etc., should be clearly understood in writing between the employee and the institution.

D. The institution shall assume no liability whatsoever for personal injuries, property damages, or other losses which may be sustained in connection with any moves undertaken pursuant to these regulations.

#### XII. Exceptions

General - The Chancellor shall have the authority to grant exceptions to any part or all of the provisions of this policy when deemed appropriate and necessary. The Chancellor delegates to the presidents and directors the authority to grant exceptions to any part or all of the provisions of this policy in individual instances when deemed appropriate and necessary. Two areas of standing exceptions to the policy are provided below.

##### Exception No. 1

(a) Provisions for travel contained in this Exception Number One shall be applicable only to the Chancellor and his or her immediate staff, presidents of institutions, technology center directors, and System employees traveling in their company. This exception corresponds with Exception Number Three of the Comprehensive Travel Regulations. All provisions of the Sections II through X of this policy shall be applicable unless superseded by the following.

(b) Transportation: First class travel on common carrier shall be allowable at the option of the above designated persons when accompanying others not employed by the State who are traveling in first class accommodations.

(c) Charges for automobile rental shall be allowed whenever it is more economical than alternative methods of transportation or whenever it is the only practical means of transportation.

(d) Lodging:

1. In-State and Out-of-State Lodging - Reimbursement for actual expenses for in-state and out-of-state lodging will be allowed, subject to the maximum rate shown on the Addendum.

2. When employees share a hotel room, each employee should claim a proportionate share of the room cost, and include an explanation with his or her travel claim detailing dates and other employees with whom the room was shared.

3. If a room is shared with other than a state employee, actual cost subject to the maximum above will be allowed. The receipt for the entire amount should be submitted with the expense account.

(e) Meals:

1. In-State and Out-of-State Meals - A per day meal allowance is shown on the Addendum. For fractional days in travel status, the allowance will be prorated.
2. Expenses for group breakfasts, luncheons and dinners, occasioned by meetings of long duration or by circumstances where it is more feasible to provide such meals than to recess the meeting, may be allowed.
3. Expenses for meals for employees occasioned by meetings called by the appropriate approving authority are allowed subject to the daily meal allowances indicated (see section VI. Meals).
4. Reimbursement of actual expenses for meals and related costs shall be allowable when acting as host to guests of the institution or other official business functions provided the purpose and the event are shown on a separate reimbursable expense statement. Receipts or other satisfactory evidence of payment must be attached to the claim. The above designated persons may delegate the authority granted under this item to members of their staff provided such delegation is in writing. All reimbursement claimed under this authority shall be clearly identified and a special report submitted with each reimbursement request.

Exception No. 2

(a) Members of the Tennessee Board of Regents shall be reimbursed for travel in the performance of their official duties in accordance with applicable provisions of the general policy unless superseded by the following, which corresponds with Exception Number Four of the Comprehensive Travel Regulations, provided that necessary approvals shall be made by the Chancellor rather than the Commissioner of Finance and Administration.

(b) Members of the Board shall be reimbursed by the Board office for all allowable travel expenses upon submission of a standard form for claims and appropriate receipts.

(c) Lodging:

1. Lodging for both in-state and out-of-state will be allowed up to the maximum indicated (see Addendum).
2. Higher rates for lodging at the location of a convention or conference will be allowed, without special approval, up to the amount indicated in the convention or conference brochure. If more than one rate is indicated, the lowest rate is the amount which will be reimbursed. However, a Board member should attempt to receive a government rate for the lodging. If the lowest rate indicated in the convention or conference brochure is unavailable, written advance approval of the higher rate must be obtained from the Chancellor. The convention or conference brochure which indicates the lodging rates must be included with the travel claim. Otherwise, reimbursement will be limited to the applicable lodging rate as provided in these regulations.

(d) Meals:

1. A daily meal allowance will be provided for in-state and out-of-state travel. For fractional days in travel status, the allowance will be prorated (see section VI. Meals); provided further, that a noon meal may be claimed without incurring overnight travel and without the requirements for eligibility for the evening meal.

2. Expenses for group breakfasts, luncheons and dinners, occasioned by meetings of long duration or by

circumstances where it is more feasible to provide such meals than to recess the meeting, may be allowed, provided written advance approval is secured from the Chancellor, except where advance approval is not practicable.

Source: SBR Meetings, June 25, 1976; March 3, 1978; September 29, 1978; September 26, 1980; September 30, 1983; March 23, 1984; September 21, 1984; December 13, 1985; June 26, 1987; September 18, 1987; June 30, 1989; September 21, 1990; June 28, 1991; March 20, 1992; October 22, 1993 (Interim action), February 1, 1996 (Interim Action), June 21, 1996, March 27, 1998, August 1, 1998 (Interim Action), March 26, 1999, September 17, 1999, September 1, 2001 (Interim Action).



Addendum

Tennessee Board of Regents General Travel Policy

This Addendum provides the specific expenses considerations cited in the general travel policy. The reimbursement rates listed below are consistent with the current Comprehensive Travel Regulations of the State of Tennessee, which may be revised from time to time. The following shall remain in effect from and after September 1, 2001, until revised by the Chancellor.

**General Reimbursement Rates**

Standard mileage rate	\$ 0.32 per mile
Maximum parking fees without receipt	\$ 8.00 per day
Fees for handling of equipment or promotional materials	\$ 20.00 per hotel

**Out-of-State Reimbursement Rates**

Employees are to utilize the U.S. General Services Administration CONUS (Continental United States) rates provided by the federal government. The CONUS rates are located on the U.S. Government's web page at

<http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/travel.shtml>

Use the CONUS standard rates for all locations within the continental United States not specifically shown on the web page as a listed point.

In-State Travel Reimbursement Rates

Level I Counties and Cities

<i>Day of Departure</i>	<i>Maximum</i>	<i>Maximum Meals</i>	
And Return	Lodging	and Incidentals	
75% of M&I			\$70.00 + tax

Shelby Co.	Davidson Co.	Knox Co.	Hamilton Co.	Gatlinburg
Sullivan Co.	Johnson City	Williamson Co.		

(Includes Paris Landing, Montgomery Bell, Natchez Trace, Pickwick, Fall Creek Falls, Henry Horton, and Reelfoot Lake State Parks)

Level II Counties and Cities

<i>Day of Departure</i>		<i>Maximum</i>	<i>Maximum</i>
<i>Meals</i>			

And Return	Lodging	and Incidentals
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75% of M&I			\$50.00 + tax	\$30.
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All other counties and cities not listed above.

Standard Out-of-Country Rates

<i>Day of Departure</i>	<i>Maximum</i>	<i>Maximum Meals</i>
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And Return	Lodging
and Incidentals	

Actual Expense	Actual Expense	Actual
Expense		

OR

75% of M & I	Actual Expense	\$42.00
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(per diem amount only to be used when receipts are not available)

**Special Rates**

**Under Exception One**

This exception applies to the Tennessee Board of Regents' Chancellor and his or her immediate staff, presidents of institutions, area school directors, and System employees traveling in their company. This exception rate schedule corresponds with Exception Number Three of the Comprehensive Travel Regulations of the State of Tennessee.

**Out-Of State Reimbursement Rates**

Employees are to utilize the U.S. General Services Administration CONUS (Continental United States) rates provided by the federal government. The CONUS rates are located on the U.S. Government's web page at:

<http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/travel.shtml>

Use the CONUS standard rates for all locations within the continental United States not specifically shown on the web page as a listed point.

**In-State Travel Reimbursement Rate**

Level I Counties and Cities

<i>Day of Departure</i>	<i>Maximum</i>	<i>Maximum</i>
<i>Meals</i>		

And Return Incidentals	Lodging	and	
75% of M&I		\$75.00 + tax	\$34.00

Shelby County Gatlinburg	Davidson Co. Sullivan Co.	Knox Co. Johnson City	Hamilton Co. Williamson Co.
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(Includes Paris Landing, Montgomery Bell, Natchez Trace, Pickwick,  
Fall Creek Falls, Henry Horton, and Reelfoot Lake State Parks)

Level II Counties and Cities

<i>Day of Departure</i>	<i>Maximum</i>
<i>Maximum Meals</i>	

And Return Incidentals	Lodging	and	
75% of M&I		\$55.00 + tax	

All other counties and cities not listed above.

**Special Rates Under Exception Two**

This exception applies to Board Members of the Tennessee Board of Regents who are reimbursed for travel in the performance of their official duties. This exception rate schedule corresponds with Exception Number Four of the Comprehensive Travel Regulations of the State of Tennessee.

**Out-of State Reimbursement Rates**

Employees are to utilize the U.S. General Services Administration CONUS (Continental United States) rates provided by the federal government. The CONUS rates are located on the U.S. Government's web page at

<http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/travel.shtml>

Use the CONUS standard rates for all locations within the Continental United States not specifically shown on the web page as a listed point.

*In-State Travel Reimbursement Rates*

*Level I Counties and Cities*

<i>Day of Departure</i>	<i>Maximum</i>	<i>Maximum</i>
<i>Meals</i>		

And Return Incidentals	Lodging	and	
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75% of M&I \$90.00 + tax \$34.00

Shelby Co. Davidson Co. Knox Co. Hamilton Co.  
Gatlinburg Sullivan Co. Johnson City Williamson  
Co.

(Includes Paris Landing, Montgomery Bell, Natchez Trace, Pickwick, Fall Creek Falls,  
Henry Horton, and Reelfoot Lake State Parks)

Level II Counties and Cities

Day of Departure Maximum Maximum Meals  
And Return Lodging and  
Incidentals

75% of M&I \$70.00 + tax \$30.00

All other counties and cities not listed above.

Attachment A

TENNESSEE BOARD OF REGENTS

MOVING EXPENSE AGREEMENT

Agreement made on \_\_\_\_\_ (Date) between \_\_\_\_\_ (Institution/School) (referred to as the Institution), and  
\_\_\_\_\_ (Employee's Full Name) (referred to as the Employee),

**WITNESS:**

WHEREAS, the Employee, with employment date effective \_\_\_\_\_ (Employment Date) desires to move and relocate his/her residence from \_\_\_\_\_ (City and State) to \_\_\_\_\_ (City and State) and the Institution desires to reimburse or pay on behalf of the Employee the cost of the moving expense, the parties therefore, agree as follows:

1. The Institution agrees to reimburse or pay on behalf of the Employee an amount not to exceed \$\_\_\_\_\_ for moving expenses incurred for the relocation. Of this amount, not more than \$\_\_\_\_\_ can be reimbursed directly to the individual. All reimbursement claims must comply with the State Comptroller's rules and regulations in effect when this agreement is signed. Also, the Employee agrees to provide original receipts for all reimbursement claims.

2. In consideration for the Institution either reimbursing or paying the costs of moving, the employee agrees to remain employed by the

Institution for a period of at least one year. For faculty appointed on an academic basis, one year is defined as one regular academic session (Fall and Spring semesters, nine months). For all other annual faculty and employees, one year is defined as twelve months. Should the employee leave employ prior to completion of that year, the Employee will be liable to the Institution for all moving expenses which the Institution has paid (to or on behalf of the Employee), together with reimbursements and all payroll taxes withheld by the Institution in connection with such expenses.

3. The Employee hereby gives the Institution an express lien on all salaries, wages, and other sums payable to him/her by the Institution, for the purpose of securing all amounts due under Section 2 above in the event the Employee leaves prior to one year's employment at the Institution. The Employee authorizes the Institution to withhold all amounts due under this Agreement from any sum payable to the Employee by the Institution.

4. If the Employee fails to remain employed as indicated in Section 2 above for reasons beyond his/her control considered sufficient by the Institution, all or part of the liability under Section 2 may be waived by the Institution. Any such waiver must be approved in writing by the Employee's department head or dean and the President/Director. (The dean/department head, whose account paid for the Employee's move, must notify Accounting Operations if the Employee does not remain employed at the Institution for at least one year.)

\_\_\_\_\_  
Employee (Signature)

\_\_\_\_\_  
President/Director (Signature)

\_\_\_\_\_  
Employee (Print or Type)

\_\_\_\_\_  
President/Director (Print or Type)

\_\_\_\_\_  
Employee's Social Security No.

\_\_\_\_\_  
Assistant Comptroller for  
Accounting Operations

\_\_\_\_\_  
Department Name

---

Account Number to be Charged

---

Department Contact & Phone Number

POLICY NO. 4:01:01:10

SUBJECT: Policy on the Deposit and Investment of Funds

**G. LEAD INSTITUTIONS AND TECHNOLOGY CENTERS**

1. Each technology center is authorized to establish a checking account. The type of account will be based upon the needs of each technology center. A request for the establishment of such an account must be submitted jointly by each technology center director and lead institution president, and be approved by the Chancellor. Each account will be subject to a ~~\$4,500~~ **\$2,000** maximum for any one transaction. Activity in this account shall be limited to operating transactions, and shall not include travel reimbursement. All transactions must be based on the concept of competitive bidding where possible with appropriate documentation maintained for review. All checks must be consigned by any two of three authorized employees (director, assistant director, and a third employee) designated in the request for establishing the account. The documentation for the transactions must be reviewed at least quarterly by a person(s) designated by the president of the lead institution.

The request to establish such an account should, at a minimum, include a description of the type of account, the procedures that will be followed in administering the account, those persons authorized to sign the checks, the bank where the account will be established, and the person(s) at the lead institutions who will be assigned the responsibility for the quarterly review.

2. The director of the technology center or his or her designee is authorized to establish a depository account for the deposit of miscellaneous revenues received by the technology center. These funds shall be transmitted at least monthly to the lead institution for deposit and investment in behalf of the technology center.

3. The lead institution shall maintain restricted accounts on behalf of each of the technology centers under its jurisdiction pursuant to the provisions of this policy and shall ensure that all interest income generated by the technology centers is appropriately credited to the individual technology center accounts.

4. The lead institution shall maintain appropriate fiscal records to ensure the existence of an audit trail for each technology center under its jurisdiction.

Tennessee Board of Regents  
STUDENT ALLOCATIONS -  
ATHLETICS  
2003-04

Institution	Proposed 03-04	(1) Inflation	(2) Scholarship	S
APSU	2,358,200	31,471 40.44%	102,552 28.37%	3
ETSU	4,065,500	54,255 40.44%	176,797 28.37%	3
MTSU	5,432,600	72,499 40.44%	236,249 28.37%	3
TSU	3,414,400	45,566 40.44%	148,483 28.37%	3
TTU	4,403,300	58,763 40.44%	191,487 28.37%	3
UOM	1,980,100	26,425 40.44%	86,109 28.37%	3
Comm. Colleges	500,000	7,418 44.96%	26,835 31.72%	2

- (1) The revised athletic allocation for 2003-04 is multiplied by 40.44% or 44.96% to get the inflation portion of the allocation. That amount is multiplied by the rate of inflation (3.3%) to arrive at the increase for inflation. The general operation inflation rate of 3.3% was obtained from the THEC formula recommendation.
- (2) The revised athletic allocation for 2003-04 is multiplied by 28.37% or 31.72% to get the scholarship portion of the allocation. That amount is multiplied by the percentage increase in maintenance fees (14%), tuition (14%), and other mandatory fees (23.49% & 72.4%) to arrive at the increase for scholarship. Maintenance fees are considered to be 73% and 93% of total mandatory fee revenues of universities and two-year institutions, respectively; tuition is considered 13% and 2%, respectively, and other mandatory fees are considered 14% and 5% respectively.
- (3) The revised athletic allocation for 2003-04 is multiplied by 31.20% or 23.32% to get the salary portion of the allocation. That amount is multiplied by the percentage increase in salaries (0%) to arrive at the increase for salaries.



**Total Other Mandatory Fees**

	2002-03	2003-04		
APSU	706	872	166	23.51%
ETSU	563	707	144	25.58%
MTSU	678	858	180	26.55%
TSU	504	656	152	30.16%
TTU	518	618	100	19.31%
UOM	632	732	100	15.82%
Average inc.				23.49%
CSTCC	171	271	100	58.48%
CLSCC	137	243	106	77.37%
COSCC	131	231	100	76.34%
DSCC	131	231	100	76.34%
JSCC	131	233	102	77.86%
MSCC	135	235	100	74.07%
NSTI	125	225	100	80.00%
NSTCC	151	251	100	66.23%
PSTCC	161	261	100	62.11%
RSCC	145	245	100	68.97%
STCC	131	231	100	76.34%
VSCC	137	237	100	72.99%
WSCC	135	235	100	74.07%
Average inc.				72.40%