

BUSINESS AFFAIRS SUB-COUNCIL

July 21, 2010

MINUTES

The meeting began at 9:00 a.m. in the TBR Board Room. Present were Mr. Steve Campbell (NeSCC); Mr. Horace Chase (JSCC); Ms. Beth Cooksey (VSCC); Mr. John Cothorn (MTSU); Ms. Mary Cross (NaSCC); Ms. Shirley Eldridge (ClSCC); Mr. Mike Gower (MTSU); Mr. Lowell Hoffman (DSCC); Mr. Ken Horner (CoSCC); Mr. Bob Hughes (TSU); Mr. Tim Hurst (APSU); Dr. Rosemary Jackson (WSCC); Mr. Ron Kesterson (PSCC); Mr. Ron Parr (STCC); Mr. Mitch Robinson (APSU); Dr. Claire Stinson (TTU); Ms. Tammy Swenson (ChSCC); Ms. Hilda Tunstill (MSCC); Mr. Jack Walker (RSCC); Mr. Greg Wilgocki (ETSU); Mr. Tommy Wright (ClSCC); Mr. Jeff Young (TTU); Mr. David Zettergren (UOM); Mr. Tom Danford, Ms. Alicia Gillespie, Ms. Tammy Gourley, Ms. Angela Gregory, Ms. Deanna Hall; Ms. Lisa Hall, Dr. Charles Manning, Ms. Pat Massey, Mr. Ron Ostenfeld, Mr. Dale Sims, and Ms. Renee Stewart (TBR).

1. Chancellor's Remarks

Dr. Manning discussed the community colleges using a single instance of Banner. The Presidents will meet to discuss this in mid to late August. We are looking into using the state's new computer facility for hosting. The facility offers lots of redundancies and is battery powered. This could be an option for us, rather than using a third party vendor for hosting.

We will also be taking another look at the three year plans. This may require conversations with some institutions in order to determine if anything else needs to be done. We also need to know if any actions, such as layoffs, etc., will need to be taken before 2012.

Dr. Manning also discussed the consolidation of fees. Last spring, MTSU wanted to raise parking fees to pay for a new parking facility. However, it was voted down by a student referendum. Therefore, MTSU had to reduce the size of the parking facility, and also take out any faculty/staff parking that was planned for the facility. The legislature is interested in what roles student referenda play, and if they are actually taken into account. We need to be clear on when we use student referenda.

The committee was reminded that immigration has become a large issue lately, especially during the election. TBR and its institutions have tried to avoid politicizing this issue. We try to make a good faith effort to check the documentation of our students. We are focused on any new laws that the legislature might pass, which might affect us.

2. Introduction of New Committee Member

Mr. Chase introduced Mr. Lowell (Bud) Hoffman as the new Vice President for Business and Finance at DSCC. Mr. Hoffman formerly worked at JSCC.

3. Report of the Committees

A. Finance Committee

Ms. Stewart highlighted the following issues from the July 8, 2010 Finance Committee meeting.

- **Student Referendum**

The committee discussed the draft process for incidental fees and student referenda. State officials and Board members have questioned how the results of student referenda on fee proposals should be weighed when action is taken on mandatory and incidental fee proposals. They have also questioned the length of time that referendum results should be considered by campus leadership and the Board as representing the views of current students.

The committee discussed the different fees covered in the draft proposal. It was recommended that the behavioral fees (parking fines, late fees, returned check fees) and specialized academic program fees (business, nursing, engineering, etc.) should not be subject to student referenda. Miscellaneous incidental fees (study abroad, equipment deposit fees, graduation, orientation, etc.) will be included on a fee by fee basis. Housing and dining fees will be revised to auxiliary fees and will be on a fee by fee basis. Mandatory fees and miscellaneous course fees will be included in the proposal. The committee also recommended adding language that student referenda is not required in order to implement or revise fees. (Attachment A)

Mr. Sims asked that everyone review this proposal and send any revisions to him or Renee Stewart prior to the October Finance Committee meeting. The proposed guideline will be presented again in October for approval.

- **Financial Statement Ratios**

The committee discussed the use of financial statement ratios when presenting the financial statements at the Board meetings. It had been suggested to begin talking about ratios with the Board's Finance Committee and looking at the system's finances in ways other than the financial statements and budgets. The CFI methodology was discussed and is included. (Attachment B)

- **IRS Notice 2008-62 and Nine-Month Faculty**

The committee discussed the IRS Notice 2008-62 and its affect on nine-month faculty. UOM has quite a few employees that are affected by this, and they have developed a proposed solution. For employees whose deferred earnings are greater than \$16,500, UOM will add the excess over \$16,500 to the employee's December payroll check. The January-August pay amounts will be reduced equally so that the employees receive the same amount of pay for the remaining 8 payrolls. This has been tested in TBANR and the procedure works.

There are some potential issues that will affect employees, so communication to the employees as soon as possible is critical. There will be an impact on individual tax planning due to the additional income in December. The second issue is that the monthly net pay for September-December will be equal but higher than the monthly net pay for January-August, which will have equal pay but a reduced amount.

- Travel Policy

The committee discussed travel policy concerns submitted by Internal Audit. The committee discussed valet parking, which is not included in the travel policy. The policy addresses valet services. Internal Audit wondered if the policy should include parking or if “service” includes any type of valet. The committee discussed this and decided to eliminate the “valet service” reference in the policy to avoid confusion.

The committee discussed adding checked baggage language in the policy. The travel policy does not address fees for checked baggage but does state that common carrier expenses will be reimbursed when accompanied by a receipt. These common carrier charges include checked baggage fees.

The committee discussed that internet service is not addressed in the travel policy. Internal Audit suggested including language in the policy requiring a statement similar to the statement required for phone calls. The committee recommended deleting the statement requirement for phone calls. It was suggested that the travel claim form should include the following statement: “I certify that the expenses claimed were for a business purpose and to the best of my knowledge, comply with TBR Travel Policy.” (Attachment C)

The committee also discussed out-of-country travel and the exchange rates. The policy does not address exchange rates. The committee discussed this and recommended no changes to the travel policy for this issue. Institutions will address exchange rates in their campus policies.

- Fixed Asset Guideline

The committee recommended a threshold of \$50,000 for land improvements. The committee also discussed the useful life of software and decided to include the paragraph concerning the reconsideration of useful life in this section of the guideline.

The committee discussed the inventory methods for sensitive minor equipment and whether it should be done separately from capitalized equipment. The committee recommended that sensitive equipment inventory be conducted annually. This gives campuses the option of conducting it concurrently with capitalized items or separately.

Another concern was that the policy does not address internal controls for capitalized equipment. Internal Audit has suggested language and it will be added to the policy. (Attachment D)

- Tuition Payment for Voluntary Buyout Employees

The committee discussed the tuition reimbursement for voluntary buyout employees. A voluntary buyout employee from one institution had enrolled in their free classes at another institution and there was some confusion regarding whether the employee should pay the fees and then request reimbursement from the employer-institution, or if the institution where the student was enrolled should direct bill the employer-institution.

The committee determined that this issue should be dealt with on an institutional basis. Some VBP's were structured as reimbursement programs, while others were not that detailed. The correct process should be communicated to VBP participants prior to their enrollment.

UOM shared their process for handling this situation with the committee. (Attachment E)

- Flexible Benefit Forfeitures

The committee discussed the flexible benefit forfeiture. Since there has not been a refund since 2006, the amount of forfeitures has accumulated to a substantial balance. It has been suggested that 10% be left in the plan every year. The committee recommended that the losses be liquidated and any remaining balance be allocated to the institutions based on their number of participants. We may need another pro-rata basis to distribute the funds. MTSU has recommended prorating the remaining balance based on the balance amount from each institution, and not the number of participants. The MTSU recommendation was viewed favorably by BASC members. (Attachment F)

- Proposed New Contract Forms for G-030

The committee discussed the new proposed contract forms for G-030. One of the forms is for a workshop/seminar participation agreement and the other is a contract for workshop/seminar up to \$5,000. The committee approved the forms. (Attachment G-I)

- Standardization of Fees

A question was asked if there is any standardization of fees for community colleges being considered. The Finance Committee will look at fee disparities among the institutions. They will look at moving toward including as many as possible in the maintenance fee, which will allow the schools to eliminate some of the other small fees.

The Finance Committee minutes, with the policy and guideline changes, were approved.

B. Council of Buyers

Ms. Gregory highlighted the following issues from the July 15, 2010 Council of Buyers meeting.

- **Staples Contract**

Ms. Gregory provided the Council with the Staples quarterly report information from the last review (January 2010-March 2010). Ms. Gregory indicated that this was not a true snapshot of average order size or minimum order size because January and February were from the previous contract, and that March was the first month of the new contract with Staples. Ms. Gregory also informed the Council that the Central Office was looking into adding promotional items and printing to the contract. These were items that Staples provided in its RFP response for the section related to additional services.

- **Request for Proposals (RFPs)**

Mr. Gregory discussed the janitorial supplies RFP. A committee has been developed and the Central Office is in the process of preparing a draft survey tool for the committee's review that will go out to institutions to assess the current contracts and products being used. Ms. Gregory will be sending out an e-mail to that committee with information regarding the first meeting to begin the RFP process.

The Council of Buyers minutes were approved.

C. Human Resources

Mr. Ostenfeld highlighted the following issues from the July 13, 2010 Human Resource Officers Committee meeting.

- **Review of 2004 Compensation for Clerical and Support Staff**

The committee was given a brief overview of the Clerical and Support Staff compensation Plan developed in 2004. There are currently 15 skill levels determined on a point factor rating scale. There are also 43 core Clerical and Support staff job titles with job descriptions. This information will be sent to all HR Officers separately. A review of current practices was recommended and the issue was deferred until the October 2010 HR Officers meeting.

- Use of Sick Leave for Birth of Grandchild

Mr. Ostensfeld reviewed the use of sick leave for the birth of a grandchild. It was recommended that the birth of a child be treated the same as any other medical condition. As it is now, sick leave may only be used if a daughter is having a child. The HR Officers asked for more detailed instructions from the Central Office on the topic. The issue was deferred until the October 2010 HR Officers meeting.

- Unemployment for Adjunct Faculty

There has been an increase in the number of adjunct faculty members applying for unemployment. While most are turned down, some are being approved on appeal. The final determination seems to depend on the examiner. Mr. Ostensfeld shared a recent article in the Chronicle of Higher Education on this topic. (Attachment J)

- 2009 Medical FSA Outstanding Card Transactions

Mr. Ostensfeld indicated that all 2009 unsubstantiated claims need to be treated as taxable income to employees for 2010. More information will follow at a later date on how payroll coordinators should handle this on the W-2's. The Office of Human Resources will be contacting each institution individually to provide the details of their employees' unsubstantiated amounts.

- 2010 Legislative Changes

Mr. Ostensfeld gave an update on recently passed legislation and its impact on HR operations. Eligibility for the Longevity Supplement Bonus was discussed, with further clarification coming if criteria on state revenue collections are met. There are a few other bills still under review, but no action is required at this time.

- Benefits Update

Mr. Ostensfeld gave an update on the following benefit projects:

Long-Term Disability RFP (UT) – The bid is still under review and should be awarded soon.

ORP – The transition to the new format has taken place. A new file format for remitting to the vendors is being developed by the Central Office, and will be released to the institutions soon.

New State Health Insurance – The Central Office will continue to share information as it becomes available. Employees may also check the Partners for Health website at: <http://www.partnersforhealthtn.gov> for updated information.

Annual Transfer/Open Enrollment – Children can now enroll in the health insurance plan up to 26 years of age regardless of student or marital status. Any dependents that were dropped prior to July 2010 can re-enroll in the plan. This year all paperwork must be turned in to Benefits Administration within three days of the close of open enrollment. Mr. Ostenfeld discussed the possibility of developing a new waiver form for employees declining health insurance.

The committee also discussed the open enrollment period for the flexible spending accounts. It was decided to move the enrollment period this year to coincide with the health insurance open enrollment, which is September 15-October 14, 2010.

- **Non-Exempt Teaching Adjunct Working in Other Positions**

Mr. Ostenfeld gave the committee an update on the treatment of non-exempt employees working in other positions. The Central Office recommends paying the employee an hourly rate, with overtime after a total of 40 hours each week. This is also true if they work on a non-exempt position at another TBR institution. The rate of overtime should be determined by the position worked when overtime occurred, or by paying at the higher hourly rate.

- **FLSA Audit Update**

Mr. Ostenfeld advised the HR Officers to continue the review of their institution's exempt positions in Information Technology to determine if any may be misclassified. Institutions were asked to only include current exempt positions in their review. Institutions were also asked to submit their report, but not take any action until a complete system review is performed. Further information will be communicated from the Central Office in the coming weeks.

The HR Officers minutes were approved.

D. Internal Audit

Ms. Gourley highlighted the following issues from the July 14, 2010 Internal Auditors meeting.

- **Presidential Audit Assignments**

Ms. Gourley discussed limiting the presidential audits, as stated in the new statute, to 30% of institutions per year, beginning with the year end June 30, 2010. Factors taken into consideration in performing the risk-based analysis include:

- Amount of prior year travel and business meals/hospitality expenses
- Years since last audit
- Prior audit findings and/or weaknesses
- Special circumstances, such as a new president or a retiring president

Systemwide Internal Audit will perform a desk review of the annual reports of those institutions not selected for audit.

- **Update on Risk Assessment Process**

Blayne Clements discussed the reconsideration of the risk assessment process. A team of management and auditors from across the system have met to determine how to proceed with the process. The team has tentatively approved a plan where each university and community college will perform an entity-wide assessment annually for submission to the system office and the Audit Committee. Additionally, over a three-year period, each campus would review and update their risk assessments of each major process – these assessments would be performed by management of applicable areas, reviewed by the campus internal auditor, and reported annually to the TBR Finance Office for compliance with the Financial Integrity Act. From the major process assessments, only issues resulting in corrective action plans will be submitted to Systemwide Internal Audit. Additional discussion and review is needed before a process is finalized.

- **Enrollment Audits**

Ms. Gourley stated that enrollment audits would not be performed for Fall 2010 for the universities and community colleges. She stated that she is working with THEC to determine the approach needed for any future audits of funding formula elements.

The Internal Auditors minutes were approved.

4. Waiver of Discount for E-Rate

ETSU has performed testing on the E-Rate in Banner, and they have encountered some problems because there is no way to manage the discounted hours when a student enrolls in more than 12 hours. In order to make the E-Rate work for the Fall 2010 semester, the Chancellor has granted a waiver that allows institutions to assess the full fee for all hours enrolled, similar to RODP. Permanent changes will be needed to Guideline B-060.

5. Foundation Contracts

Third party audit contracts for foundations must be approved by the Central Office and the Comptroller of the Treasury. There is a Comptroller's contract form that must be used for these situations. Therefore, the institutions should print and complete the contract and send it to the Central Office. The Central Office will then sign and return the contract to the institution. The institution will then convert the contract to an electronic file as required by the Comptroller's Office.

6. Crisis Readiness

The Chancellor is looking for assurance that our institutions are prepared in the event of a crisis. APSU mentioned the need for an academic continuity plan, due to the fact that many of their students were unable to make it to campus for final exams during the

floods.

7. Banner Travel and Expenditure Module

Based on the cost estimates provided by Sungard, it would be cheaper to purchase the travel and expenditure module as a system. However, use of the module requires the use of several other Banner products such as the Sungard document management system and Banner imaging. After some discussion, it appears that very few institutions are now interested in pursuing the purchase of this module due to these other restrictions. The committee asked Mr. Danford to include a session for the travel and expenditure module at the Banner Summit in October.

8. Banner for Community Colleges

All community colleges may be going to a single instance of Banner. A RFI was issued for shared hosting services. The responses received led to further exploration. A group toured the OIR recently, and the group was pleased with their facilities and the services they offered. The OIR is a Tier III data center with redundant power sources, connectivity, and 30 people monitoring intrusion attempts.

OIR has a template that is required to be completed when providing services. The template gives OIR an idea of the hardware needed to provide services for the TBR system. The template will be completed soon and a follow up meeting with OIR will happen after that. The OIR could have us up and running in 90 days. The OIR will also provide us with a schedule of fees. A preliminary schedule appears to show a cost savings for us.

We could begin testing in December, with a go-live date of January 1, 2011. There could be multiple instances of Banner running across shared equipment. If the first group works well, then others will be migrated in. We need to look at best practices and move toward those on a systemwide basis.

We also need to be prepared to confront the personnel issues that this will create. Some issues to be considered are: giving preferential treatment to employees displaced from other institutions, reallocating existing staff to other areas, severance packages, etc. Any savings will remain at the institutions, which should create an incentive to reduce their processes. The legislative purpose of this bill was to reduce cost and improve efficiency among the community colleges, because there will likely not be any increase in state appropriations in the foreseeable future.

A question was asked as to what impact this would have on the universities. The cost allocation may need to be revised because we may be going from 19 instances of Banner to 7.

Another question was asked as to how this would affect add-on software that has already been purchased to run with Banner. The committee is wondering if these items will be applicable after the switch. Another issue of concern is that some institutions have recently invested in new hardware. TBR will check with OIR and see if they would be willing to purchase some of this hardware to recoup the institution's costs.

Mr. Sims asked the committee to call or e-mail him with any other thoughts or concerns as we go forward with the process.

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

(7-1-10 Draft – For Discussion Purposes Only)
 Process for Review of Mandatory & Incidental Fee Proposals by the
 Tennessee Board of Regents

Background

- Board members and state policy makers have questioned how the results of student referenda on fee proposals should be weighed when action is taken on mandatory and incidental fee proposals.
- Decision makers also question whether the process used by campus leadership throughout the system to develop fee proposals ensures that the broad campus community is aware of mandatory and incidental fee proposals, the extent of this consultative process, and the degree to which these processes are consistent among institutions.
- As it pertains to student referendum, questions are raised as to the length of time that referendum results should be considered by campus leadership and the Board as representing the views of current students.
- The Board Committee on Finance and Business Operations, as well as various state officials, have asked that a statement be developed addressing these and other related questions.
- The purpose of this document is to begin addressing these questions.

Draft Principles

- Create a process that provides for meaningful, considered input by the broad campus community on fee proposals
- Preserve the ability of Presidents to make recommendations to the Board that, in their judgment, serve the best long term interest of students and the institution
- Provide the Board with an understanding of the views of both the broad campus community and the President when considering fee proposals
- Permit the Board to act on fee proposals with confidence that all proposals have received comparable levels of public scrutiny at the campus level

Draft Proposal

- Define the Scope of Fees Covered by Proposed Process – which fees should be covered?
 - Mandatory fees (campus access, debt service, athletic, international education, student activity, student government, etc...)
 - ~~Behavioral Fees (parking fines, late fees, returned check, others)~~
 - Miscellaneous Course Fees (materials, field trip fees, external facility use fees, etc...)
 - Miscellaneous Incidental Fees (study abroad, equipment deposit fees, graduation, orientation, etc...)
 - ~~Specialized Academic Program Fees (business, nursing, engineering, etc...)~~
 - ~~Housing & Dining~~ Fees related to Auxiliary Enterprises – Will be reviewed for inclusion on a case-by-case basis
- Require Creation of Campus Fee Advisory Committees (7 members)
 - Student Representation (3)
 - SGA President
 - SGA Student Senate Leader
 - One additional student selected by SGA Senate
 - Faculty (1)
 - Member selected by Faculty Senate

- Administration (3)
 - Two members appointed by President
 - VP for Business & Finance (or equivalent)
- Role of Advisory Committee
 - Act in an advisory capacity, providing advice to the President on fee proposals to ensure President's recommendation to the Board considers broad campus input
- Committee Process
 - Committee presented with all fee proposals that fall within jurisdiction
 - Fee proponents permitted to make a presentation on need for fee, use of proceeds, and respond to Committee questions
 - Committee required to provide an opportunity for public testimony on fee proposals
 - For each fee proposal, the Committee provides a report to President that summarizes -
 - The proposed fee action; and
 - The Committee's sense of :
 - the benefits of approval of the fee;
 - the long term impact on students and the institution if the fee proposal is not approved;
 - any detrimental impact resulting from approval of the fee;
 - campus sentiment on the proposal based on comments made during the public hearing; and
 - Other information the Committee deems relevant to the President's consideration of the fee proposal.
- Action by the President
 - The President is required to consider the views of the Committee in developing fee recommendations for consideration by the Chancellor and the Board
 - However, the President is not bound by the advice of the Committee in determining which fee proposals to recommend to the Chancellor and Board
 - The President's recommendation should be guided by what proposed action serves the best long term interest of the student body and the institution
 - Fee recommendations by the President must be accompanied by the report of the Committee together with any response provided by the President
- Action by Board
 - In considering fee proposals submitted by Presidents , the Board will require that the Chancellor and staff consider the report of the Committee
 - Staff fee recommendations for the Board must include a brief overview or characterization of the Committee's comments

Treatment of Student Referendum Results

In recognition of that a process will exist to gather informed student and campus views on fee proposals through the Campus Fee Advisory Committees, the following is provided for treatment of the results of student referenda on fee proposals

- **Provide that a student referendum is not required in order to implement or revise fees**
- Provide that the results of a student referendum where participation is above a defined level is considered to indicate broad student sentiment on the issue and will be binding on the Board
 - However, provide that the Board is free to act contrary to the referenda results in situations where, in the Board's sole judgment, the long term interests of the students and institution support acting

contrary to the referenda results (ex. debt service on bonds to fund earthquake repair to a student union)

- Provide that student referenda where participation falls below the defined threshold level is considered to not indicate broad student sentiment on the issue and, therefore, will be considered advisory only and not binding on the Board
- The level of participation required (i.e. 10%, 15%) should represent a reasonable standard based on the history of student participation in elections & referenda
 - The level established should not be so low as to only represent the views of a minority of the student body nor should it be so high that it represents an unattainable level

Procedural Question

- Should these proposals be promulgated as a “guideline”, “policy”, or some combination of both

INSTRUCTIONS

This set of worksheets will be used to calculate the CFI for your institution.

If you're a private institution use Financial Results (FASB) Column A or B depending on whether an operating measure is presented.

If you're a public institution use Financial Results (GASB) Column A for the institution. If there is a foundation--and it follows GASB reporting standards--use Financial Results (GASB) Column B for the foundation. If there is a foundation--and it follows FASB reporting standards--use Financial Results (FASB) column A or B depending on whether an operating measure is presented for the foundation. Even though the foundation may not be under your control, the institution's financial health cannot be assessed without considering the component unit(s).

FASB entities report all expenses as part of unrestricted net assets. Focus only on that section or column when completing the expense lines of the forms. When considering revenues, be sure to include net assets released from restrictions if they appear in the unrestricted net assets section or column.

Some foundations include payments to or on behalf of the institution as part of expenses; others present it in a separate category. A separate line is provided in case it is not included with expenses.

Several adjustments will be necessary. First, most private institutions and foundations following FASB reporting standards include net investment in plant as part of unrestricted net assets. These are not expendable net assets so they must be eliminated from unrestricted net assets. Note A on the adjustments page addresses this.

Restricted expendable net assets and temporarily restricted net assets may include resources that are to be used for capital assets or debt service. These amounts must be subtracted. Sometimes they will be on the face of the statements but, more likely, they will be found in the notes. Note B on the adjustments page addresses this.

(Continued on Next Page)

Not all private colleges and foundations present an operating measure in their

FINANCIAL RESULTS (GASB)
FISCAL YEAR _____

<u>Line</u>	<u>Per Financial Statements</u>	<u>Column A</u>	<u>Column B</u>
		<u>Public Institution</u>	<u>GASB Foundation</u>
G1	Unrestricted Net Assets		
G2	Restricted Expendable (B)		
G3	Operating Expenses		
G4	Payments to Institution (if not included in operating expenses)		
G5	Interest Expense		
G6	Other Expenses (not included in operating expenses)		
G7	Net Operating (Loss) / Surplus		
G8	Plant Debt - Current Portion (include capital leases)		
G9	Plant Debt - Noncurrent Portion (include capital leases)		
G10	Change in Total Net Assets		
G11	Beginning Total Net Assets		
G12	Operating Revenues		
G13	Government Appropriations for Operations		
G14	Contributions (non-endowment)		
G15	Nonoperating grants (exclude capital grants)		
G16	Net investment income (if positive)		
G17	Change in fair value of investments (if positive and presented separately)		
G18	Other nonoperating revenues		

SEE NOTES ON PAGE 5

* Exclude net investment income and change in fair value of investments if it is a loss.

CFI SCORING SHEET

FISCAL YEAR _____

RATIO	VALUE	STRENGTH: Divide Value by These Factors	WEIGHT: Multiply Strength by These Factors	CFI SCORE (Note 1)
Primary Reserve		0.133	0.35	
Viability		0.417	0.35	
Return on Net Assets	%	2.00%	0.2	
Net Operating Revenues (or Net Unrestricted Revenues)*	%	0.7%*	0.1	
CFI SCORE - sum last column				

* Assumes use of operating measure; if change in unrestricted net assets is used, the strength factor is 1.3% versus 0.7%.

Note 1: Maximum score for the ratios is 3.5 for primary reserve and viability, 2 for return on net assets, and 1 for net operating revenues ratio. If score exceeds these amounts, enter the maximum value in appropriate cell.

Note 2: If no long-term debt is reported, the weights change as follows: primary reserve weight becomes .55, return on net assets weight becomes .30, net operating revenues weight/net unrestricted revenues becomes .10, and viability is ignored.

Policy 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. Procurement cards may be used for the payment of registration fees and required advance payments for airline or hotel payments. Procurement cards may not be used for expenses incurred during actual travel time except in instances of team/group travel.

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.

All travel must be consistent with the educational, research, and professional needs of the TBR System. Employees must conduct all travel with integrity, in compliance with applicable laws, policies, and procedures, and in a manner that excludes considerations of personal advantage. Employees must exercise good judgment and conduct all aspects of travel in a cost-efficient manner.

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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 or her 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 is~~ 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. Then the employee spends the night, continues the drive the next morning and arrives 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. No expenses shall be reimbursed until after travel has been completed.

7. When using websites (such as Expedia.com, Travelocity.com, Hotwire.com, etc.) to make travel arrangements using package deals, documentation is required for each specific item included in the package such as airfare, hotel, and rental car. Documentation should be provided to substantiate the conformance with set rates as established in CONUS and in the general travel policy. If such documentation cannot be obtained from the website or vendors, the employee is responsible for

comparing the package price to the separate coach airfare rates, hotel rates (as allowed by CONUS/conference rate) and vehicle rental rates and providing documentation to reflect that the package price is less expensive than fares allowed individually. When the website documentation is not sufficiently detailed, a signed statement by the employee (along with documentation from separate coach airfare rates, hotel rates, etc.) referencing the comparison above is to be attached to the travel claim to certify that a reasonable effort was made to procure the best price for the college or institution. The employee is responsible for abiding by rates as approved by TBR.

III. Authorization of Travel

I. 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 Technology Centers 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 out-of-country travel shall be subject to approval by the president. Authorization for travel to Alaska, Hawaii, and all out-of-country travel by the president shall be subject to approval by the Chancellor (or designee). Authorization for travel to Alaska, Hawaii and all out-of-country travel by an employee of a technology center shall be subject to approval by the Vice Chancellor of Technology Centers.

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 coach 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. Chartered Aircraft – Generally, faculty and staff (including group travel and athletics) whose duties require travel will use commercial ground and air carriers or a university/college/technology center automobile. However, a chartered aircraft may be used if time and/or distance preclude ground travel or if a commercial air service is either unavailable or does not meet the needs of the traveler(s). The following guidelines apply:

a. The chief executive officer of each institution shall assign the following duties to a responsible official: (1) reviewing and approving requests for charter air services, (2) scheduling charter flights, and (3) informing those who request charter flights of the charter company's policy on canceling scheduled flights.

b. Charter services will be obtained only when it can be shown that the charter does not exceed the sum of all traveling costs by commercial carrier (e.g. transportation, meals, and lodging) or that circumstances necessitate travel when no other means is available.

c. The charter company must provide the institution with an original, itemized invoice showing the beginning and ending dates of the charter, the origin and destination of each flight, and the names of passengers on each flight.

5. 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 when 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. Employees may use reputable websites to determine point-to-point and/or vicinity mileage.

Commuter Mileage - Procedures for calculating mileage are based on the fact that the State is prohibited from reimbursing employees for normal commuting mileage.

1) If an employee begins or ends a trip at his/her official station, reimbursable mileage will be the mileage from the official station to the destination.

2) If work is performed by an employee in route to or from his/her official station, reimbursable mileage is computed by deducting the employee's normal commuting mileage from the actual mileage driven.

3) If an employee begins or ends his/her trip at his/her residence without stopping at his/her official station, reimbursable mileage will be the lesser of the mileage from the employee's residence to his/her destination or his/her official station to the destination. On weekends and holidays, the employee may typically be reimbursed for actual mileage from his/her residence to the destination.

4) If an employee travels between destinations without returning to his/her official station or his/her residence, reimbursable mileage is the actual mileage between those destinations.

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 or reputable websites, and that published by Rand-McNally or reputable websites 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.~~

6. 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.

7. 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.

8. 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.

9. 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).

10. 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.

11. 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 when 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 or conference website. 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 – In the event of double occupancy for state employees on official travel, both employees should attach an explanation to his/her travel claim detailing dates and other employees with whom the room was shared. The lodging cost may be claimed by the employee who incurred the cost, or one half the double occupancy charge may be allowable for each employee. 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.

Out of Country meals are reimbursed at actual expense with receipts. If no receipts are provided, the maximum rate will be the maximum Conus rate of Out-of-State travel.

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

\$46\$34.50

\$51\$38.25

\$56\$42.00

\$61\$45.75

\$66\$49.50

\$71\$53.25

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 \$46\$51\$56\$61\$66\$71

Breakfast 7 8 9 10 11 12

Lunch 11 12 13 15 16 18

Dinner 23 26 29 31 34 36

Incidentals5 5 5 5 5

Revisions to the above two tables that are required solely by changes in CONUS rates will not be subject to Board approval.

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.

3. Business Meals – See Policy 4:07:00:00 for criteria on reimbursing business meals.

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 or electronic in accordance with TBR policy. 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 or her 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. 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; however, any exception directly affecting the Chancellor must be approved by the Vice Chair of the Board. 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; however, any exception directly affecting presidents or directors must be approved by the Chancellor or Vice Chancellor for Technology Centers, respectively.. 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.

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.

Source: TBR 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), September 26, 2003, December 5, 2003, May 1, 2004 (Interim Action), September 24, 2004; December 3, 2004; June 10, 2005; December 2, 2005; March 31, 2006; March 30, 2007; June 29, 2007; September 28, 2007; March 28, 2008. October 1, 2008 (Interim Action); October 1, 2009 (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 October 1, 2009, until revised by the Chancellor. The Board delegates to the Chancellor the authority to increase TBR travel rates commensurate with any rate increases approved by the State of Tennessee.

General Reimbursement Rates

Standard mileage rate	Rate approved by the Dept. of Finance and Administration (see http://www.state.tn.us/finance/act/documents/policy8.pdf)
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://www.gsa.gov/>

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

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
75% of M&I	\$119.00 + tax	\$66.00

Davidson County

Level II Counties and Cities

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
75% of M&I	\$102.00 + tax	\$46.00

Anderson County, Shelby County, Knox County, Hamilton County, Gatlinburg, Pigeon Forge, Sullivan County, Williamson County, Montgomery County, Putnam County, Rutherford County, Washington County (Includes Paris Landing, Montgomery Bell, Natchez Trace, Pickwick, Fall Creek Falls, and Henry Horton State Parks)

Level III Counties and Cities

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
75% of M&I	\$70.00+ tax	\$46.00

All other counties and cities not listed above.

Standard Out-of-Country Rates

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
Actual expense or 75% of M&I	Actual expense	Actual expense or \$71.00

(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://www.gsa.gov/>

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

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
75% of M&I	\$124.00+ tax	\$66.00

Davidson County

Level II Counties and Cities

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
75% of M&I	\$107.00+ tax	\$46.00

Anderson County, Shelby County, Knox County, Hamilton County, Gatlinburg, Pigeon Forge, Sullivan County, Williamson County, Montgomery County, Putnam County, Rutherford County, Washington County. (Includes Paris Landing, Montgomery Bell, Natchez Trace, Pickwick, Fall Creek Falls, and Henry Horton State Parks)

Level III Counties and Cities

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
75% of M&I	\$75.00 + tax	\$46.00

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://www.gsa.gov/>

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

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
75% of M&I	\$139.00+ tax	\$66.00

Davidson County

Level II Counties and Cities

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
75% of M&I	\$122.00+ tax	\$46.00

Anderson County, Shelby County, Knox County, Hamilton County, Gatlinburg, Pigeon Forge, Sullivan County, Williamson County, Montgomery County, Putnam County, Rutherford County, Washington County. (Includes Paris Landing, Montgomery Bell, Natchez Trace, Pickwick, Fall Creek Falls, and Henry

Horton State Parks)

Level III Counties and Cities

<u>Day of Departure And Return</u>	<u>Maximum Lodging</u>	<u>Maximum Meals and Incidentals</u>
75% of M&I	\$95.00 + tax	\$46.00

All other counties and cities not listed above.

Guideline B - XXX

Subject: Fixed Assets and Sensitive Minor Equipment

The purpose of the following guideline is to outline significant provisions for consistent capitalization procedures for fixed assets at the institutions governed by the Tennessee Board of Regents. These guidelines largely represent a consolidation of the existing practices and are intended to serve as a reference document for institutional staff responsible for fixed asset administration. The guideline includes provisions for capitalizing land, land improvements, leasehold improvements, buildings, additions and improvements to buildings, infrastructure, nonexpendable personal property, software, and livestock. Additionally, the guideline also includes provisions for the inventory of sensitive items.

Property records should be maintained for all land and capitalized assets. Procedures should ensure the proper recordkeeping of capitalized assets, including the initial recording, movement and eventual disposal of assets and should ensure that these assets are periodically inventoried. Property records for assets acquired with federal funds should conform to OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations.

I. Land

Land is generally considered to have an unlimited life and is therefore a non-depreciable asset. Land acquired by the institution should be recorded at its original cost which includes a variety of expenditures related to its acquisition and its preparation for use as intended by the institution. The following are examples of expenditures that should be capitalized as a part of the cost of land:

1. The original acquisition price.
2. Commissions related to the acquisition.
3. Legal fees related to the acquisition.
4. Cost of surveys.
5. Cost of an option to buy the acquired land.
6. Cost of removing unwanted buildings from the land, less any proceeds from salvage.
7. Unpaid taxes (to the date of acquisition) assumed by the institution.
8. Cost of permanent improvements (e.g. landscaping) and improvements that will later be maintained and replaced by other governments (e.g. street lights, sewers).
9. Cost of getting the land in condition for its intended use, such as excavation, grading, filling, draining, and clearing.

Land acquired through forfeiture should be capitalized at the total amount of all taxes, liens, and other claims surrendered, plus all other costs incidental to acquiring ownership and perfecting title. Assumption of liens, mortgages, or encumbrances on the property increases the purchase price and should be included in the original cost. A liability should be recognized for the amount of the lien, mortgage, or encumbrance assumed by the institution.

Land acquired by donation, or the intent to donate, e.g., for one dollar, should be recorded on the basis of an appraisal of the market value at the date of acquisition. The cost of the appraisal itself, however, is expensed at the time incurred.

When costs are incurred but the land is *not acquired*, the costs should be expensed.

Land held for investment purposes should be classified as investments rather than as property.

II. Land Improvements

Expenditures for land improvements that have limited lives and exceed \$50,000 should be capitalized in a separate account from the Land and depreciated over their estimated useful lives. Examples of land improvements include, but are not limited to, site improvements such as landscaping that has a limited life (e.g. shrubbery, flowers, trees); retaining walls, parking lots, fencing, sidewalks, sculptures, and art work. Land improvements are normally depreciated over a useful life of 20 years.

As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

III. Leasehold Improvements

Leasehold improvements include improvements to existing or new leased spaces. These improvements should be capitalized if the cost exceeds \$50,000 and the cost is borne by the institution. Leasehold improvements are generally depreciated over the lesser of the original term of the lease or the useful life of the improvements. If the lease contains an option to renew for additional years but renewal is uncertain or the likelihood of renewal is uncertain, the improvements should be depreciated over the original term of the lease or the useful life of the improvement.

IV. Buildings

The cost of a building includes all necessary expenditures to acquire or construct and prepare the building for its intended use. Buildings consist of relatively permanent structures, including all permanently attached fixtures, machinery and other appurtenance that cannot be removed without damaging the building or the item itself. Buildings are erected for the purpose of sheltering persons or property. Examples include, but are not limited to such items as academic buildings, dormitories, apartments, barns, etc. All buildings costing \$100,000 and above should be capitalized. Buildings costing less than \$100,000 should be expensed. Buildings are normally depreciated over a useful life of 40 years.

Buildings acquired by purchase should be capitalized at their original cost. The following major expenditures are capitalized as part of the cost of buildings:

1. The original bargained purchase price of the building.
2. Cost of renovation necessary to prepare the building for its intended use.
3. Cost of building permits related to renovation.
4. Unpaid taxes (to date of acquisition) assumed by the institution.
5. Legal and closing fees.

Buildings acquired by construction should be capitalized at their original cost. The following major expenditures are capitalized as part of the cost of buildings:

1. Cost of constructing new buildings, including material, labor, and overhead.
2. Cost of excavating land in preparation for construction.
3. Cost of plans, blueprints, specifications, and estimates related to construction.
4. Cost of building permits.
5. Architectural and engineering fees.
6. Landscaping and other improvements related to the building construction that cannot be separately identified from the building project (e.g. wiring within the building, shrubbery and sidewalks around the building).

Buildings acquired by donation, or the intent to donate, e.g. for one dollar, should be recorded on the basis of an appraisal of the market value at the date of acquisition. The cost of the appraisal itself, however, should not be capitalized.

Removable fixtures, including but not limited to furnishing for the new building, should be distinguished from the cost of the building and capitalized or expensed in the appropriate accounts even if they are acquired as a part of the purchase or the construction project.

The cost of a building that is acquired but *immediately* removed to prepare the land for construction of a new building is treated as part of the cost of the *land* rather than as part of the cost of the new building.

The cost of removing an old building that you have occupied in past but that is now deteriorated and must be removed prior to constructing a new building, should be capitalized as a part of the cost of the new building. The precedent supporting this treatment is the requirement to capitalize all normal costs of readying an asset for use, i.e., capitalizing demolition costs of unwanted building(s) with the purchase of land, capitalizing renovation costs when a building is purchased, capitalizing excavating costs in preparation for construction of a new building and, when a building is constructed with plans to expand later then any demolition costs are capitalized with the cost of the addition.

As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

V. Additions and Improvements to Buildings

Additions

Additions represent major expenditures that are capital in nature because they increase the service potential of the related building. Additions costing \$50,000 or above should be capitalized. Additions costing less than \$50,000 should be treated as repairs and maintenance even though they have the characteristics of capitalized expenditures.

Example:

- A new wing is added to an existing building at a cost of \$700,000. The cost would be capitalized.
- A new wing is added to an existing building at a cost of \$49,999. The cost would be expensed since it does not meet the dollar level established for capitalization.

Two major issues are involved with accounting for additions and generally requires some professional judgment:

Useful life: If the estimated useful life of the addition is independent of the building to which it relates, the addition is treated as a separate asset and depreciated over its estimated useful life, regardless of the life of the original asset. If the addition is not independent of the original asset, the useful life must be determined in relation to the original building. In this case, the cost of the addition is depreciated over the shorter of the estimated life of the addition or the remaining life of the original building.

Capitalized costs: If the original building was constructed with a plan to expand, cost related to the original building incurred when the addition takes places should be capitalized. However, costs that could have been avoided with appropriate planning at an earlier date should be expensed rather than capitalized.

Improvements

Improvements represent the substitution of a new part of an asset for an existing part. For example, the roof of a building may be replaced or a new HVAC may replace an old HVAC system. If the new part of the asset is similar in nature to the part being eliminated, the substitution is called a replacement. If the new part represents an improvement in quality over the part being eliminated, the substitution is called betterment. Both replacements and betterments are subject to capitalization if the cost is \$50,000 or more. The appropriate accounting treatment is determined by whether the original part of the existing asset is separately identifiable.

- If separate identification is possible, the new expenditure should be substituted for the portion of the book value being replaced or improved.

Example: Roof replacement at cost of \$50,000 (original cost separately identified is \$30,000).

Building (new roof)	\$50,000	
Accumulated Depreciated	27,000	
Loss on replacement of roof	3,000	
Building (old roof)		\$30,000
Cash		50,000

- The separately identified asset is depreciated over the shorter of the expected life of the separate asset or the remaining life of the building.
- If separate identification is not possible, the cost of replacements and betterments is treated as an increase in the book value of the Building, thereby increasing the basis for depreciation over the remaining life of the Building.
 - If the replacement or betterment is designed primarily to enhance the *quality* of the service potential of the building, the cost is charged to the Building asset account.
 - An appropriate increase in depreciation expense is recognized in future years but the useful life is *not* increased.

Example:

Building	\$70,000	
Cash		\$70,000

- If the replacement is designed primarily to extend the length of the service life of the asset, the book value is increased by debiting Accumulated Depreciation.
 - The revised book value is then depreciated over the *revised* useful life.

Example:

Accumulated Depreciation – Building	\$70,000	
Cash		\$70,000

Note:

- Alterations that modernize rather than improve the quality of a building should be expensed unless the alteration is so extensive as to increase the estimated life of the building.
- Re-roofing costs that are not replacing a separately identified asset should not be capitalized unless they are part of a major renovation of a building.

Examples:

- An old gymnasium is converted to a block of individual rooms at a cost of \$500,000. This is considered a major renovation and would be a building capitalization. This renovation enhances the service quality of the building but does not extend the life of the building.

○ Debit: Building	\$500,000	Credit: Cash
\$500,000		

- A deteriorating roof on an existing building (the original roof costs are not separately identified) is replaced at a cost of \$55,000. These costs should be expensed in the year(s) costs are incurred.

- Debit: Maintenance of buildings \$55,000 Credit: Cash

\$55,000
- A dormitory is completely renovated at a cost of \$1,000,000 including a new roof. It is estimated that the renovation will add an additional 10 years to the life of the building. The entire project costs would be capitalized under buildings.
 - Debit: Accumulated depreciation \$1,000,000 Credit:

Cash \$1,000,000
 - Note: The life of the building should be changed to reflect the additional 10-years of service. The debit to accumulated depreciation is the accumulated depreciation on the original building.
- A parking lot is repaved at a cost of \$20,000 in order to restore to its original condition. This would be considered maintenance and would not be capitalized.
 - Debit: Paving expense \$20,000 Credit: Cash

\$20,000

As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

Infrastructure

Infrastructure is defined as improvements related to the skeletal structure and function of the campus. Examples include, but are not limited to, roads, steam lines, chiller systems, storm sewers, tennis courts, sewer lines, severe weather systems, athletic scoreboards, turfs, lighting, radio and television towers, water lines, signage, all-weather track, telecommunications and computing wiring, and energy management systems. Improvements valued at or above \$50,000 should be capitalized. Improvements valued at less than \$50,000 should be expensed. The same accounting rules that apply to improvements to buildings also apply to improvements to infrastructure. Infrastructure items are normally depreciated over a useful life of 20 years.

As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

Nonexpendable Personal Property

Examples of nonexpendable personal property include machinery, implements, tools, furniture, vehicles and other apparatus with a unit cost of \$5,000 or more and a minimum life expectancy in excess of one year. The following list includes some of the costs that should be capitalized in the appropriate asset account:

1. The original bargained acquisition price.
2. Freight, insurance, handling, storage, and other costs related to acquiring the asset.
3. Cost of installation, including site preparation, assembling, and installing.
4. Cost of trial runs and other tests required before the asset can be put into full operation.
5. Cost of reconditioning equipment acquired in a used state.

Nonexpendable personal property acquired by donation, or the intent of donation, e.g. acquisition for one dollar, should be recorded on the basis of an appraisal of the market value at the date of acquisition.

1. Furniture – Movable furniture that is not a structural component of a building. Examples include, but are not limited to, desk, tables, filing cabinets, and safes. Office furniture purchased in components should be capitalized only if the individual components that cannot be separated cost at least \$5,000. Furniture is normally depreciated over a useful life of 20 years.

2. Office and operational equipment – Office and operational equipment other than computers and peripherals. Examples include, but are not limited to, copiers, sorters, folders, filing system, printing press, shop equipment, athletic equipment, kitchen equipment, generators, and yard equipment. Office and operational equipment are normally depreciated over a useful life of 10 years.
3. Computers and peripheral – Computers and peripheral equipment are normally depreciated over a useful life of 5 years.
4. Educational and scientific equipment – Classroom or laboratory equipment used to conduct the normal program of education and research activity. Examples include, but are not limited to, audiovisual equipment, classroom demonstration models, electronic instruments, lab equipment, surveying equipment, radio equipment, pianos, and other musical instruments. Educational and scientific equipment are normally depreciated over a useful life of 10 years.
5. Motorized vehicles – Examples include, but are not limited to, cars, mini-vans, vans, boats, and light general-purpose trucks. Motorized vehicles are normally depreciated over a useful life of 5 years.
6. Heavy equipment – Examples include, but are not limited to, buses, heavy general-purpose trucks, forklifts, snowplows, and agricultural equipment. Heavy equipment items are normally depreciated over a useful life of 10 years.
7. Library holdings – Library holdings include library books, music, artistic, and reference materials included in the institution's library collection. Examples include, but are not limited to, books, periodicals, microfilm, microfiche, government documents, films, videocassettes, audiocassettes, phonograph records compact disc - audio, slide set, filmstrip, transparency, maps, multimedia kit, three-dimensional models, non-catalogued pamphlets, computer software manuscripts and archives, photographs, and compact disc. Library holdings are normally depreciated over a useful life of 10 years.

The same accounting rules that apply to building improvements apply to improvements to nonexpendable personal property.

As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

Software

Software with a cost of \$100,000 or greater should be capitalized and amortized. Capitalized software costs will include external direct costs of materials and services consumed in developing or obtaining internal-use computer software. Training costs are not internal-use software development costs and should be expensed as incurred. Data conversion often occurs during the application development stage. Data conversion costs should be expensed as incurred. Internal costs incurred for maintenance should be expensed as incurred. Software costs should be amortized over a useful life of 10 years.

For each module or component of a software project, amortization should begin when the computer software is ready for its intended use, regardless of whether the software will be placed in service in planned stages that may extend beyond a reporting period. For purposes of this guideline, computer software is ready for its intended use after all substantial testing is completed. Amortization shall begin the year in which the first module is placed in service. A full year of amortization will be charged the first year regardless of the actual implementation date.

Software with a cost less than \$100,000 should be expensed unless the institution determines, and provides justification, for capitalizing. For example, if an institution purchases a separate software package to support the Banner system (example Luminous Premier), it may be appropriate to capitalize the cost even if less than \$100,000 since it is directly related to the Banner system. It should be noted that software licensing agreements that are not perpetual in nature will be expensed, regardless of cost.

As assets near the end of their estimated lives, the estimates should be reviewed for accuracy of the original estimate and adjusted to reflect the anticipated number of years of continued use. Any adjustment of estimated lives is a change in accounting estimate and should be applied to current and future depreciation calculations.

Livestock

Livestock should be expensed.

Sensitive Minor Equipment

Sensitive minor equipment items are of a movable nature which are particularly vulnerable to theft and have a cost or fair value (for donated items only) between \$1,500.00 and \$4,999.99, regardless of funding source. The following items are examples of items that may be viewed as sensitive minor equipment: binoculars, boat motors, boat trailers, boats, cameras, camera lenses, canoes, computers, external computer storage devices, ham radios and receivers, marine band transmitters and receivers, microscopes, musical instruments, scientific equipment, oscilloscopes, PDAs, printers, projectors, radio scanners, external computer scanners, spectrum analyzers, televisions, two-way radio transmitters and receivers, vector scopes, video cameras, video recorders and players, and waveform monitors. All weapons, regardless of cost, should be considered sensitive minor equipment. Each institution will perform a risk assessment to determine which items should be designated as sensitive minor equipment for that institution. The useful life of sensitive minor equipment is estimated at 3 years, after which the fair value will be considered to be nominal.

Although sensitive minor equipment items are not capitalized, they must be identified and inventoried. Physical inventory of sensitive minor equipment should be conducted annually. Sampling is an acceptable method of conducting the physical inventory of sensitive minor equipment.

UOM Process for VPB Participants Utilizing Education Benefit at Other than UOM

Each participant in the UofM VBP was offered a offered tuition assistance benefit for the schools, institutions and entities governed by the Tennessee Board of Regents and the University of Tennessee Board of Trustees. The maximum amount of tuition assistance that was offered to the VBP participants was \$5,400 per year for a total of two years, totaling up to \$10,800 per participant. These tuition assistance benefits began January 1, 2009 and is not be used for courses that begin after December 31, 2010.

A total of 7 VBP participants have used the tuition benefit at institutions other than the UofM. The total dollar amount paid on their tuition is approximately \$17,000 (through Spring 2010). A total of 13 VBP participants have used the tuition benefit at the UofM. The total dollar amount paid on their tuition is approximately \$79,000 (through Summer 2010).

Payment of other institutions follows the same process for employees who attend other institutions using the PC-191 or Staff Scholarship. The VBP participant has their Tuition Assistance form authorized by the UofM Employee Benefits office. The VBP participant turns the original Tuition Assistance form into the other institution, such as STCC, as their form of payment. Towards the end of the semester, the other institution sends the UofM Employee Benefits a bill for their tuition. The bill is verified and approved by the UofM Employee Benefits office and is sent over to the UofM Bursar office who processes the payment to the other institution.

2006-2009 PLAN YEAR				
FORFEITURES				
	BALANCE	Est. Ptp		Est Payment
AUSTIN PEAY STATE UNIVERSITY	(540.18)	85	3.9%	4,798.58
CHATTANOOGUE STATE TECH COMMUNITY COLLEGE	2,701.21	86	4.0%	4,855.03
CLEVELAND STATE COMMUNITY COLLEGE	(994.59)	33	1.5%	1,862.98
COLUMBIA STATE COMMUNITY COLLEGE	2,897.59	28	1.3%	1,580.71
COVINGTON TTC	(834.08)	4	0.2%	225.82
DYERSBURG STATE COMMUNITY COLLEGE	(818.68)	30	1.4%	1,693.62
EAST TENNESSEE STATE UNIVERSITY	28,183.34	354	16.4%	19,984.66
JACKSON STATE COMMUNITY COLLEGE	9.62	31	1.4%	1,750.07
MIDDLE TENNESSEE STATE UNIVERSITY	28,937.83	330	15.3%	18,629.77
MOTLOW STATE COMMUNITY COLLEGE	3,530.11	43	2.0%	2,427.52
NASHVILLE STATE TECH COMMUNITY COLLEGE	7,997.84	38	1.8%	2,145.25
NEWBERN TTC	-			-
NORTHEAST STATE TECH COMMUNITY COLLEGE	(100.85)	23	1.1%	1,298.44
PELLISSIPPI STATE TECH COMMUNITY COLLEGE	4,567.32	65	3.0%	3,669.50
RIPLEY TTC	1.50	4	0.2%	225.82
ROANE STATE COMMUNITY COLLEGE	1,326.94	42	1.9%	2,371.06
SOUTHWEST TENNESSEE COMMUNITY COLLEGE	9,860.89	59	2.7%	3,330.78
TCC AT NASHVILLE	694.46	5	0.2%	282.27
TCC AT PARIS	500.03	6	0.3%	338.72
TENNESSEE STATE BOARD OF REGENTS	2,501.66	41	1.9%	2,314.61
TENNESSEE STATE UNIVERSITY	21,939.88	113	5.2%	6,379.28
TENNESSEE TECH CENTER AT PULASKI	-			-
TENNESSEE TECH UNIVERSITY	731.50	160	7.4%	9,032.61
TTC AT ATHENS	72.47	6	0.3%	338.72
TTC AT CHATTANOOGA	(812.92)	7	0.3%	395.18
TTC AT CROSSVILLE	56.21	6	0.3%	338.72
TTC AT CRUMP	27.48	2	0.1%	112.91
TTC AT DICKSON	(929.14)	4	0.2%	225.82
TTC AT HARRIMAN	34.57	3	0.1%	169.36
TTC AT HARSVILLE	394.35	4	0.2%	225.82
TTC AT HOHENWALD	1.40	3	0.1%	169.36
TTC AT JACKSON	452.27	4	0.2%	225.82
TTC AT KNOXVILLE	(238.09)	4	0.2%	225.82
TTC AT LIVINGSTON	13.96	3	0.1%	169.36
TTC AT MCKENZIE	(349.98)	4	0.2%	225.82
TTC AT MCMINNVILLE	(50.00)	5	0.2%	282.27
TTC AT MEMPHIS	431.74	6	0.3%	338.72
TTC AT MORRISTOWN	267.64	5	0.2%	282.27
TTC AT MURFREESBORO	(1,733.40)	4	0.2%	225.82
TTC AT ONEIDA	-			-
TTC AT SHELBYVILLE	(495.11)	3	0.1%	169.36
UNIVERSITY OF MEMPHIS	20,454.79	351	16.3%	19,815.30
VOLUNTEER STATE COMMUNITY COLLEGE	(54.89)	73	3.4%	4,121.13
WALTERS STATE COMMUNITY COLLEGE	4,852.53	83	3.8%	4,685.67
	135,489.22			-
	121,940.30	2160		121,940.30
Per control file				

Attachment F

Section 11 (existing Section 11 would become Section 12)

Contract for Workshops/Seminars (Up to \$5,000.00)

Workshop / Seminar Participation Agreement

I. SCOPE

This section provides sample contracts which may be used for two purposes. The first sample agreement may be used when the institution contracts with a service provider to provide a workshop or seminar and the payment to the service provider will not exceed \$5,000.00. The second sample agreement may be used when the institution contracts with an individual to make a payment to that individual for attending a specific workshop or seminar (for example, a grant may provide for such payments to be made out of grant funds).

II. GENERAL RULES

These forms are provided for use ONLY as described above and may be used instead of the personal services agreement or *Pro Forma*, for the specified purposes, or the personal services agreement form or *Pro Forma* agreement may be used for these purposes.

III. ESSENTIAL CONTENTS OF THE AGREEMENT

The form agreements at the end of this section contain all required elements.

Sample Contract for Workshop/Seminar up to \$5,000
Sample Workshop/Seminar Participation Agreement

DRAFT

SAMPLE AGREEMENT
(TBR INSTITUTION)
WORKSHOP/SEMINAR PARTICIPATION AGREEMENT

The undersigned Participant hereby agrees that the amounts specified below are the entire amount to be paid by _____ (hereinafter "Institution") to Participant in consideration for Participant's attendance and participation at the Workshop/Seminar entitled:

_____ (hereinafter "Workshop") being held by
 _____ from _____ through _____.

The Institution will compensate the Participant \$ ____ per ____ day ____ week as a per diem for food.

The Institution will compensate the Participant \$ ____ per ____ day ____ week as a stipend.

The Institution will compensate the Participant \$ ____ for documented travel expenditures.

Other payment terms:

The Institution's maximum liability under this Agreement is limited to the amount of compensation provided to Participant as set forth above. In no event will any reimbursement for travel, meals or lodging, exceed the amounts provided for in the current version of the Institution's travel policies.

This Agreement shall not be effective until the Contractor has completed a Minority/Ethnicity Form.

Other terms (N/A if none):

In witness of their acceptance of the terms set forth herein, the parties have executed this Contract this ____ day of _____, 20____.

(Participant):

(Institution):

 Print Name

 Print Name

 Signature

 Date

 Signature

 Date

Address:

Telephone Number

SSN or Fed. ID No.

DRAFT

SAMPLE AGREEMENT (Up to \$5,000.00)
(INSTITUTION)
CONTRACT for WORKSHOP/SEMINAR

This Contract documents the agreement between _____ (hereinafter Institution) and _____ (hereinafter Contractor).

This Contract consists of this cover page, the Institution's Standard Terms and Conditions (below or on reverse), and _____ additional attached pages.

Scope of Services. Contractor agrees to provide the following services:

a) Conduct a workshop or seminar on the following date(s) and time(s):

b) the workshop/seminar shall be on the following subject:

The period of performance under this Contract is from _____ through _____.

The Institution shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

The Institution will compensate the Contractor \$ _____ **OR** \$ _____ per _____ day _____ week after services have been performed. If the contractor is a non-resident alien, payment will not be made until an Individual Taxpayer Identification Number has been assigned to the Contractor by the Internal Revenue Service and presented to the Institution.

The Institution _____ will _____ will not compensate the Contractor for documented travel expenses. If this Contract provides for reimbursement for travel, meals or lodging, such reimbursement must be made in accordance with Institution travel policies.

Other payment terms:

The Institution's maximum liability under this Contract shall not exceed \$_____.

This Agreement shall not be effective until the Contractor has completed a Minority/Ethnicity Form.

Other terms (N/A if none):

In witness of their acceptance of the terms set forth herein, the duly authorized representatives of the parties have executed this Contract this _____ day of _____, 20____.

(CONTRACTOR):

Print Name

Signature Date

Address:

Telephone _____

Email: _____

SSN or Fed Tax ID No.

(INSTITUTION):

Print Name

Signature, Title Date

STANDARD TERMS AND CONDITIONS

1. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior, written approval of the Institution.
2. The Institution may terminate this Contract by giving the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive equitable compensation for satisfactory, authorized work completed as of the termination date.
3. If the Contractor fails to perform properly its obligations under this Contract or violates the terms of this Contract, the Institution shall have the right to terminate this Contract immediately and withhold payments in excess of fair compensation for completed services. The Contractor shall not be relieved of liability to the Institution for damages sustained by breach of this Contract by the Contractor.
4. The Contractor, being an independent contractor, agrees to carry adequate public liability and other appropriate forms of insurance, and to pay all taxes incident to this Contract. The Institution shall have no liability except as specifically provided in this Contract. Any claims made against the Institution under this agreement will be brought pursuant to the Tennessee Claims Commission Act.
5. The Contractor shall comply with all applicable Federal and State laws and regulations in the performance of this Contract including, without limitation, any applicable laws relating to equal opportunity hiring and non-discriminatory performance of this agreement. No person on the grounds of disability, age, race, color, religion, sex, national origin, veteran status or any other classification protected by Federal and/or Tennessee State constitutional and/or statutory law shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract.
6. The Contractor warrants that no part of the total Contract amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor, or consultant to Contractor in connection with any work contemplated or performed relative to this Contract, and that no employee or official of the State of Tennessee holds a controlling interest in the Contractor. If the Contractor is an individual, the Contractor certifies that he/she is not presently employed by the Institution or any other agency or institution of the State of Tennessee; that he/she has not retired from or terminated such employment within the past six months; and that he/she will not be so employed during the term of this Contract.
7. The Contractor shall maintain documentation for all charges against the Institution under this Contract. The books, records and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of final payment, and shall be subject to audit, at any reasonable time and upon reasonable notice, by the Institution or the Comptroller of the Treasury, or their duly appointed representatives. These records shall be maintained in accordance with generally accepted accounting principles and, if applicable, and if this Contract is made pursuant to a grant, additional requirements will be attached and incorporated by this reference as if fully stated herein.

8. This Contract shall be governed by the laws of the State of Tennessee without regard to that State's conflict of interest provisions. This Contract may be modified only by a written amendment which has been executed and approved by the appropriate parties as indicated on the signature page of this Contract.
9. ***ILLEGAL IMMIGRANTS*** - By signing this Agreement, the Contractor is attesting that the Contractor will not knowingly utilize the services of illegal immigrants and will not knowingly utilize the services of any subcontractor that does so in delivery of the services to be provided under this Contract. If the Contractor is discovered to have breached this attestation, the Contractor shall be prohibited from supplying goods/services to any TBR institution/state for a period of one (1) year from the date of discovery of the breach.

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May 24, 2010

Adjunct Group Begins a Push for Unemployment Benefits

By Audrey Williams June

The New Faculty Majority, a national adjunct advocacy group, plans to formally announce on Monday a campaign to push more out-of-work adjuncts to file for unemployment insurance between academic terms and during summer breaks. The organization's goal, ultimately, is to change a federal law that some colleges routinely invoke to keep adjuncts from receiving unemployment benefits during those interims.

Maria Maisto, president of the advocacy group and an adjunct who works in Ohio, says the organization's decision to undertake the National Unemployment Compensation Initiative stemmed from a recession that has worsened the already-tenuous job security of adjuncts and has thrust unemployment benefits into "the public eye right now. But many adjunct and contingent faculty don't realize that they're eligible to file."

And those who do file are regularly denied compensation, based on each state's understanding of a simple clause in the federal unemployment-insurance law that says benefits should not go to those with a "reasonable assurance" of continued employment. Colleges sometimes point to the assignment letters adjuncts receive describing their institution's intention to rehire them for the following term as evidence that they have such an assurance. Adjunct advocates argue that, because adjuncts' contracts are contingent on enrollment and available funds, their future employment is left uncertain.

Some states do provide such benefits during interims. Adjuncts in California have routinely received unemployment payments at those times because of a 1989 ruling by the California Court of Appeals that clearly states that part-time faculty members are eligible for the compensation. And more recently, in Washington State, adjuncts have persuaded legislators to fine-tune state law to work more in their favor, too.

That progress is encouraging, says Matt Williams, New Faculty Majority's vice president, but a sustained, nationwide campaign is

what it will take to pave the way for real change, including revision of the federal law.

"By addressing the unemployment issue, we also simultaneously address some of the other issues—like creating a more stable work environment for contingent faculty," Mr. Williams says. "We're really seeing this as at least a 15- or 16-month campaign."

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