BUSINESS AFFAIRS SUB-COUNCIL

October 24, 2002

MINUTES

The meeting began at 9:00 a.m. at the MTSU Foundation House. Present were Dr. Bob Adams, Chairperson (APSU/TBR); Mr. Jim Bowman (ETSU); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Mr. Bill Fuqua (RSCC); Mr. Mike Gower (MTSU); Mr. Clay Harkleroad, Jr. (TSU); Mr. James Hodges (VSCC); Mr. Ken Horner (CoSCC); Dr. Charles Hurley (CLSCC); Mr. Al Irby (APSU); Mr. Dwight Johnson (STCC); Dr. Julian Jordan (WSCC); Mr. Ron Kesterson (PSTCC); Dr. Dave Larimore (TTU); Mr. Charles Lee (UOM); Ms. Linda Maxwell (TTU); Mr. Mike Posey (MSCC); Mr. Mitch Robinson (DSCC); Ms. Claire Stinson (NSTCC); Ms. Tammy Swenson (CSTCC); Mr. Terry Rector (TTU); Mr. Greg Wilgocki (ECOM); Ms. Kathy Crisp, Ms. Deanna Hall, Ms. Lisa Hall, Ms. Debbie Johnson, Mr. Raja Kodali, Ms. Ann Rutland, Mr. Ron Simmons, Ms. Renee Stewart, and Mr. Keith Williams (TBR).

Dr. Adams called the meeting to order.

BUSINESS

1. Athletics Presentation

Dr. Dave Larimore gave a presentation on the value of athletics to the university. The presentation included a series of Excel spreadsheets demonstrating the reduction in expenses/revenues if each sport were eliminated at TTU. Revenues included state appropriations, student fees, ticket sales, game guarantees, and those revenues generated from friends of athletes who also attend TTU as well as students who behave like consumers (purchasing athletic souvenirs, tee shirts, etc.). Expenses included salaries, benefits, travel, operating costs, administrative costs, board, and books. The expenses did not include scholarship costs associated with tuition and fees, housing, or a post office box. Dr. Larimore considered these sunk costs that could not be recovered through the elimination of athletics.

In addition to the Excel spreadsheets, Dr. Larimore's presentation included PowerPoint slides on his philosophy of athletics. These slides covered why athletics are an integral part of the university, the economic value of athletics, why athletics deserve state support, and why athletic programs are not expendable.

A discussion of the slides and worksheets presented, as well as THEC's Plan of Action for athletics, followed the conclusion of Dr. Larimore's presentation. It was suggested that the type of information presented by Dr. Larimore should also be presented to the THEC Commission members. Both Dr. Larimore and Dr. Adams are members of THEC's task force on athletics and will gauge THEC's interest in a presentation to Commission members.

The community college business officers met Wednesday, October 23, 2002, to discuss athletics. Their discussion will be presented with the Finance Committee minutes. The university business officers will meet immediately following the BASC.

2. <u>Report of the Finance Committee</u>

Dr. Collins highlighted the following issues from the October 8, 2002, Finance Committee meeting.

A. Athletics

The Finance Committee discussed athletic issues as they relate to the THEC Plan of Action. To assist in determining the relevant issues and developing a policy position, separate groups were established (community college and university) to prepare a list of issues affecting each group and proposed solutions/alternatives.

Mr. Robinson discussed the community college business officer meeting held October 23, 2002. Several revisions to Guideline B-041 were proposed for discussion. **While the revisions were agreeable to all, Guideline B-041 will not be submitted to the Presidents for approval until after the general fund support cap issue is resolved with THEC.** The proposed revisions to Guideline B-041 are included as Attachment A. Dr. Adams requested that all community colleges prepare pro-forma statements of athletic revenue and expenses for the current year using the proposed Guideline B-041. These pro-forma statements are due to the TBR Central Office by Monday, November 11, 2002.

Dr. Adams inquired if a common general fund support cap for all community colleges would be acceptable. While a common cap for community colleges would keep teams competitive, some business officers felt that certain expenses, such as post-season and out-of-state fee waiver scholarships, should be excluded from the cap. There was some disagreement on the exclusion of out-of-state fee waiver scholarships. No decision was reached on this issue.

B. Developmental Fee Rates

Beginning Fall 2003, all universities must assess fees at the community college rates for developmental courses. The Finance Committee proposed the following method of computing fees for students who enroll in a mixture of developmental and regular courses: Students will be assessed the hourly rate for both, up to the university maximum fee. For example, if a student enrolls for nine hours in regular courses and six hours in developmental courses, fees will be assessed as follows:

9 hrs x $120 university hourly rate =	$1,080
6 hrs x $68 community college hourly rate =	<u>408</u>
Total	$1,488
University Maximum	$1,374

Since the total of the fees per hourly rate ($1,488) exceeds the university maximum, the student will be assessed the university maximum of $1,374 in this example.

Revisions to Guideline B-060 have been proposed to reflect this change (see Attachment B).

C. GASB 34/35 Update

Dr. Collins briefly discussed the issuance of GASB Statement 39. A survey on Foundation financial reporting will be sent to all institutions. Once completed, the GASB Subcommittee will develop an implementation plan for GASB 39.

D. Guideline B-080

The Finance Committee recommended the proposed guideline on reporting fiscal misconduct and/or institutional losses (see Attachment C).

General Counsel has reviewed the guideline and their suggestions have been incorporated into Attachment C.

E. Guideline P-130 Support for Educational Assistance

The fees assessed employees 65 years of age or older included in Guideline P-130, Section VIII, were not consistent with Guideline B-060 or TCA 49-7-113. Revisions have been proposed to update Guideline P-130 (see Attachment D).

F. Guideline B-070 Deferred Payment Plan

The Finance Committee recommended increasing the deferred payment plan service fee and revising the method in which the late fee is assessed. See Attachment E for the proposed revisions.

The committee noted that if the Presidents approve the above revisions, individual institutions cannot increase their service fee without submitting it as an incidental fee request and receiving Board approval at the June 2003 Board meeting. The earliest the new fee can be enacted on any campus is Fall 2003.

Mr. Lee inquired why students receiving financial assistance had to pay 50% of the remaining balance when enrolling in the deferred payment program. He felt that the requirement treated students receiving financial assistance unfairly. The matter was referred back to the Finance Committee for further review.

The minutes of the Finance Committee were approved.

3. <u>Report of the Human Resource Officers Committee</u>

Ms. Johnson highlighted the following issues from the September 25, 2002, Human Resource Officers meeting.

A. Guidelines P-60 and P-61 Sick Leave Bank

The Human Resource Officers recommended revisions that allow transferring employees immediate membership in the sick leave bank if the employee was a sick leave bank member at the other TBR institution/UT/state agency and had no break in service.

B. Proposed Post-Retirement Guideline

The Academic Affairs Sub-Council requested additional review time before approving the proposed guideline. The guideline will be presented to all sub-councils again in the January meeting cycle.

C. Community College Alignment Study

Originally, Board members requested an alignment of the salary plan data for all community colleges. This request has now evolved into an alignment of salary plan methodology. While the data alignment is essentially complete and will be presented at the March 2003 Board meeting, the alignment of the methodology is much more difficult and will require additional time. While no target date has been set, this is a high priority for the Human Resource department.

The minutes of the HR Officers meeting were approved.

4. <u>Report of the Futures Committee</u>

Mr. Kodali updated the BASC on the administrative software project undertaken by the Futures Committee. Last Spring, the committee determined that a migration to SCT's Banner was the best choice for TBR. Mr. Kodali stated that there would be no licensing costs for Banner, but TBR would need to license the Oracle database system. A restricted license for Oracle can be purchased from SCT at an affordable cost in conjunction with Banner. Mr. Kodali stated that Banner would run on our current hardware.

Mr. Simmons discussed a spreadsheet he developed to estimate migration costs. Is was stressed that this was a very preliminary projection and should not be assumed as the final cost. The spreadsheet assumed that institutions would migrate to Banner over a phase-in period of five years at a total cost of approximately $19.3 million.

Mr. Bowman inquired why our estimated cost approximated $121 per FTE when a different report evaluating migrations to Banner estimated costs at $500 per FTE. Mr. Simmons stated that this difference might be due to software costs that TBR will avoid, advantageous consultant rates previously negotiated, and travel savings.

The Futures Committee will meet on October 29th to draft a proposal for the migration to Banner. Mr. Robinson and Mr. Lee serve on this committee as representatives of the BASC. Mr. Kodali promised to forward a copy of the proposal to all BASC members.

5. <u>Risk Management Presentation</u>

Mr. Jamie Fohl, Department of Treasury, Division of Risk Management, discussed the increasingly "hard market" insurance companies are facing. Property insurance premiums are rising and coverages are declining. While most states experienced a premium increase of 100% to 300% for FY 2003, Tennessee's premiums increased 67%. Premium increases are expected for the next three to four years to offset investment losses.

Mr. Fohl briefly outlined the changes in property coverages and deductibles. He reminded everyone to update the property inventory report by logging on to the Risk Management website at www.treasury.state.tn.us/risk/ and following the appropriate links.

6. Budgeting Salary Increases

Dr. Adams discussed the October Budget Guideline request to budget all salary increases in pool accounts. This request was burdensome to several community colleges that had already budgeted the increases on individual lines. Dr. Adams explained that budgeting to the individual lines within the time constraints given was not possible for most institutions. The request to budget in pool accounts was necessary to ensure that all institutions' average salary data was comparable. The BASC agreed to always budget in pool accounts salary increases with effective dates later than the October Revised Budget submission.

7. Other Business

Ms. Stewart discussed State Audit's recent request regarding the color pie charts included in the MD&A section of the financial report. State Audit stated that printing color pie charts in the audit reports will double their printing costs. They requested that institutions that want the color pie charts included in their audit report provide State Audit with 50 printed copies of the MD&A. Furthermore, they requested that institutions for which black-and-white pie charts are acceptable provide State Audit with a Microsoft Word file with the pie charts formatted in black-and-white.

Ms. Stewart informed the BASC that George Malo is gathering data for the 2002 TBR Annual Report Card. Mr. Malo will be sending a survey to all Presidents on the elements currently included in the report card. If anyone has any suggestions for improvement regarding these elements, this survey is the appropriate instrument for making those suggestions known. The survey will be sent mid-November.

Dr. Adams informed the BASC that in the future the quarterly desegregation reports should be forwarded to Wendy Thompson upon completion. BASC members requested that Ms. Thompson send the quarterly report requests directly to the business officers.

Dr. Adams reminded the university business officers that a meeting on athletics would be held immediately following the BASC. The minute of this meeting are included as Attachment F.

There being no further business, the BASC adjourned.

<u>ATTACHMENT A</u>

<u>TBR Guideline B-041</u>

SUBJECT: <u>Community College Athletics</u>

This guideline is established to provide a necessary level of control and consistency among the community colleges in the administration of intercollegiate athletic programs. The provisions set forth below represent standards to ensure program accountability, while allowing for institutional discretion and promoting intercollegiate athletic competition within the limitations of campus resources. The guideline supersedes all previous statements or agreements and is effective upon approval by the Tennessee Board of Regents.

I. Program Authorization

A. Each community college is authorized to participate in any of the following intercollegiate sports: Men's basketball, baseball, tennis, golf, and wrestling; and women's basketball, softball, tennis, and golf.

B. Participation in additional sports will require written justification by the president and approval by the Chancellor.

II. ~~Expenditures~~ **Revenue**

Athletic revenue may be derived from gate receipts, concession receipts, private donations, restricted funds, agency funds, and other operating revenue.

~~A. Athletic funds may be derived from and are limited to the following sources:~~

~~1. No state appropriated funds from General State of Tennessee revenue may be used for Athletics.~~

~~2. All other sources (such as gate receipts,~~ ~~**student fees,**~~ ~~concession receipts, and private restricted and agency funds).~~

III. Expenses

~~B.~~ Athletic ~~expenditures~~ **expenses** include **salaries, employee benefits,** supplies**,** materials, travel, scholarships, communications, etc.

1. Salaries and Employee Benefits

a. The salary and benefit costs for faculty members who have athletic responsibilities (athletic director, head coach, assistant coach, etc.) will be allocated in accordance with the release time given. Therefore, if a faculty member receives three hours release time per semester for assistant coach duties, the faculty member's salary and benefit costs will be allocated between instruction and athletics as follows:

(3 hrs release time/15 hours full-time faculty load) x salary (or benefits) = portion allocated to athletics

b. **The salary and benefit costs for head coaches not assigned to the classroom will be allocated in accordance with the percentage of effort worked, with a minimum of 50% allocated to athletics.**

c. **The salary and benefit costs for assistant coaches not assigned to the classroom will be allocated in accordance with the percentage of effort worked, with a minimum of 25% allocated to athletics.**

d. **The salary and benefit costs for athletic directors not assigned to the classroom will be allocated in accordance with the percentage of effort worked, with a minimum of 20% allocated to athletics.**

e. **The salary and benefit costs for other full-time and part-time employees, such as clerical support, sports information personnel, etc., will be allocated in accordance with the percentage of effort worked.**

f. **The salary and benefit costs of custodial, security, and ticket office personnel are considered immaterial and will not be allocated to athletics.**

~~1~~**2**. Operating Costs

All operating costs which are charged to other units at the institution, such as telephone, postage, and motor pool expenses, are to be allocated to athletics on the same basis that the operating costs are allocated to other units.

~~2~~**3**. Equipment and Supplies

a. Equipment which is purchased for both athletics and physical education is to be prorated on a 50/50 percent basis. Equipment which is specifically purchased for athletics is to be charged 100 percent to that unit.

b. Expenses for items that are utilized for more than one fiscal year, such as uniforms, are to be charged to the fiscal year in which the items are encumbered.

III. Out-of-State Tuition Scholarships

Out-of-state scholarships may be given for up to a maximum of twenty-five students at any given time. For example, if the institution awards fifteen scholarships in one academic year and all fifteen students return the next academic year, the institution is limited to only ten additional out-of-state tuition waivers. **The costs of these scholarships must be expensed to athletics.**

IV. Post-Season Competition

Post-season expense must be charged to separately identified account(s), per sport, within the athletic budget.

~~I~~V. Sports Governance

The TBR community colleges shall operate within the limitations established by the NJCAA as referenced in the association's NJCAA Handbook and Casebook for recruiting, governance, scholarships, and all other aspects of the colleges athletic programs.

V**I**. Housing

A TBR college cannot lease housing for student athletes.

VI**I**. Federal and State Regulations

Consistent with Board policy, each president is responsible for ensuring institutional compliance with all pertinent federal and state regulations relative to student participation in intercollegiate athletic programs.

VII**I**. Conference Membership

This guideline is based on the understanding that each TBR community college with athletic programs shall hold memberships in the TJCCAA conference and the NJCAA conference.

Source: March 20, 1981 SBR meeting. Revised June 26, 1981 and March 18, 1983, SBR meetings; July 1, 1984; August 19, 1984; July 1, 1985; July 1, 1986; July 1, 1987; February 16, 1988; July 1, 1988; May 10, 1994; November 9, 1994; May 14, 1996; February 16, 2000; May 9, 2000; and August 21, 2001 Presidents Meetings.

ATTACHMENT B

TBR Guideline B-060

B. Rates

1. Rates are established by the Board and incorporated in a fee schedule that groups specific full-time and part-time fees; by type of institution (two-year institutions; APSU, ETSU, MTSU, TSU, and TTU; and UOM); and by course/program level (undergraduate and graduate). **Developmental courses are charged at the two-year institution hourly rate, with the maximum not to exceed the home institution's established full-time rate.**

2. Part-time rates are applied based on **the type of course (regular or developmental) and** level of credit for the course, regardless of student level. **If a student, part-time or full-time, enrolls for both regular and developmental courses, the rates shall be assessed at the part-time hourly rate for each, with the maximum not to exceed the established full-time rate.** In an instance where a course may be taken for undergraduate or graduate credit, the student shall pay the rate of the level of credit sought. If a student, part-time or full-time, enrolls for both undergraduate and graduate courses, the rates shall be assessed at the course/program level, with the maximum not to exceed the established graduate full-time rate.

ATTACHMENT C

TBR Guideline No. B-080

SUBJECT: Reporting and Resolution of Fiscal Misconduct, Improper Use of Institutional Resources, and Institutional Losses

It is the responsibility of each institution to establish a system to report fiscal misconduct and losses of state or institutional funds and property. When someone suspects wrongdoing, the appropriate authorities as designated by the institution's president/director should be informed. The Tennessee Board of Regents Business and Finance Office (TBR) shall be immediately notified of the reported incident as outlined below. Administrators at all levels of management should be aware of the risks and exposures inherent in their areas of responsibility, and should establish and maintain proper internal controls to provide for the security and accountability of state resources, including resources entrusted to them. "Resources," as used herein, shall refer to personnel, equipment, and financial resources. Compliance with the guideline will:

- Promote adherence to federal and State law (including, but not limited to, Tenn. Code Ann. §§ 8-19-501, 12-4-101, and 12-4-103).
- Promote adherence to federal regulations and state policy.
- Establish responsibility for detection, reporting and investigation of suspected fraud, misuse, or misappropriation of state resources.
- Increase the awareness of all employees to the possibility of fraud and resource-related misconduct.
- Establish consistency with the reporting of allegations of fraud and resource-related misconduct.
- Ensure immediate notification to TBR of all authenticated cases of fraud.
- Ensure appropriate disposal of surplus property.

Terms

The following definitions apply to these terms as they are used in this guideline. "Fraudulent activities" is defined as actions that deceive or cheat, ordinarily for the purpose or result of causing some financial loss to another, or bringing about some financial gain to oneself or others. "Suspected fraud" is a reasonable belief or actual knowledge that a fraudulent activity has occurred. "Misconduct" includes conduct that contravenes institutional, TBR or other state policy/statute or federal regulation/statute, or enriches the employee or others beyond the remuneration specified by the terms of the employee's appointment, employment contract, or vendor contract. "Suspected misconduct" is a reasonable belief or actual knowledge that misconduct has occurred.

Fraudulent activities, misappropriation, and misconduct include, but are not limited to:

- Embezzlement or misappropriation of institutional funds, goods, property, services or other resources.
- Improper use or assignment of institutional personnel, property, services or other resources.
- Forgery or unauthorized alteration or falsification of documents or computer files.
- Authorizing or receiving compensation for hours not worked by the employee or by others.
- Improper handling or reporting of financial transactions, including use, acquisitions and divestiture of state property, both real and personal.
- Misappropriation, misapplication, destruction, removal, or concealment of property, services or other resources.
- Inappropriate use of computer equipment, software, networks, or systems, including personal or private business use, hacking and software piracy.
- Concealment or misrepresentation of events or data.
- Acceptance of bribes, kickbacks or any gift, rebate, money or anything of value whatsoever, or any promise, obligation or contract for future reward, compensation, property or item of value, including intellectual property.
- Conflict of Interest.

Reporting

The procedure for reporting property losses to the appropriate campus officials is divided into three categories: (1) losses due to cash shortages, (2) losses involving acknowledged or suspected misconduct, and (3) losses of physical property. TBR reports the suspected fraud items and cash shortages to the Comptroller of the State of Tennessee, Division of State Audit, and the property losses to the State of Tennessee, Department of Treasury, Risk Management Division. Losses must be reported to the State immediately upon discovery and the institutional procedures should address timely reporting.

1. <u>Losses Due to Cash Shortages</u>

   Each institution is required to report cash shortages equal to or greater than $100 **<u>immediately</u>** to TBR and should follow-up with a "Notification of Loss of Funds and/or Property" report (see Attachment A). Some cash shortages result from human error and are the cost associated with doing business. However, objective reviews must be completed to eliminate misconduct and provide assurance that controls are effective. Regardless of amount, if the shortage is a repeating event or a pattern of financial shortfalls is identified in any area or unit, such should be specifically noted in the report. Furthermore, the investigation unit identified on the "Notification of Loss of Funds and/or Property" report should file a “Case Resolution Report” (see Attachment B) at the conclusion of the investigation. Both reports should be sent to TBR and Internal Audit.

2. Losses Involving Acknowledged or Suspected Misconduct

Losses of institutional assets as the result of acknowledged or suspected misconduct by either an employee or a non-employee (for example, a vendor, contractor, or student) may include, but are not limited to: shortages of cash, lost, stolen or altered checks, operational supplies, physical property, intellectual property, and any other instance where assets may have been misappropriated, e.g., travel claim abuse, long distance telephone abuse, theft of athletic tickets, reporting or approval of hours not worked, etc. TBR must be verbally notified of the incident followed by a written notification.

Individuals involved with suspected fraud activity or misconduct as that term is defined in this policy must assist with and cooperate in any authorized investigation, including providing complete, factual responses to questions and either providing access to or turning over relevant documentation immediately upon request by any authorized person. Any person refusing to provide such assistance must be notified that such refusal may result in the imposition of discipline, up to and including termination. Failure to provide such notice will not preclude the institution from terminating the employee. The procedures outlined below should be followed:

A. Any employee who becomes aware of losses involving misconduct or suspected fraud must immediately report the incident to an appropriate department official. If the incident involves their immediate supervisor, the employee must report the incident to the next highest-level supervisor. Employees should not confront the individual being investigated or initiate an investigation on their own. Such actions could compromise the investigation. A department official who receives notice of suspected misconduct or fraudulent activity must immediately report the incident to the following:

    1. Vice President of Business and Finance or their designee
    2. Internal Audit Department
    3. Safety and Security Office (as deemed necessary)

B. The president/director will designate one of the above referenced officials to verbally notify TBR regarding the acknowledged or suspected fraud or misconduct.

C. Each institution must complete a “Notification of Loss of Funds and/or Property” report (see Attachment A). This report must be sent to TBR and Internal Audit.

D. The investigation unit identified on the “Notification of Loss of Funds and/or Property” (see Attachment A) report will file a “Case Resolution Report” (see Attachment B) at the conclusion. This report will be issued to TBR, Vice President of Business and Finance, Internal Audit Department, and the Office of Safety and Security (as deemed necessary).

3. Losses of Physical Property – Property Claims Process

Losses of physical property from thefts, equipment inventory shrinkage, natural disasters, or acts of God should be reported to TBR on a monthly basis as instances occur. Physical property includes those items that meet the definition of a capital asset.

However, individual occurrences exceeding **<u>$25,000</u>** and occurrences that are potentially serious situations that would create public concern regardless of amount must be reported to the TBR and the State of Tennessee Treasury Department, Office of Risk Management **<u>immediately</u>** followed by a written report.

Go to http://www.treasury.state.tn.us/risk/index.htm and click on the "Contact Us" link for contact information and the "Claims Process" link for details of the insurance claims process.

The loss of physical property report referenced above should list equipment items individually and should include all related data as reflected on the equipment inventory list. This information may be forwarded to TBR on an Excel spreadsheet with a brief narrative explaining how the loss occurred. Each property damage report should include a detailed description of the loss and the estimated cost. These forms should be forwarded to:

1. Vice President of Business and Finance or their designee
2. Internal Audit Department
3. Department where loss occurred

Actions

The TBR will evaluate the information provided and make a determination concerning external reporting obligations, if any, and the feasibility of pursuing available legal remedies against persons or entities involved in misconduct or fraudulent acts against the institution. Remedies include, but are not limited to, terminating employment, requiring restitution, and forwarding information regarding the suspected fraud to appropriate external authorities for criminal prosecution. In those cases where disciplinary action is warranted, the Office of Personnel/Human Resources, Office of General Counsel, and other appropriate offices shall be consulted prior to taking such action, and applicable institutional and Board policies related to imposition of employee discipline shall be observed.

An employee suspected of theft of institutional property may not resign as an alternative to discharge after the investigation has been completed. Exceptions to this requirement can only be made by the institution's President/Director, and require advance consultation with and approval by the Vice Chancellor for Business and Finance. If the employee resigns during the investigation, the employment records must reflect the situation as of the date of the resignation and the outcome of the investigation.

An employee who is dismissed for gross misconduct or who resigns to avoid dismissal for gross misconduct shall not be entitled to any payment for accrued but unused annual leave at the time of dismissal.

Students found to have participated in misconduct or fraudulent acts as defined by this guideline will be subject to disciplinary action pursuant to the *Code of Student Conduct.* The Dean of Students and/or the Vice President of Student Affairs will be responsible for adhering to applicable due process procedures and administering appropriate disciplinary action.

All investigations will be conducted in as strict confidence as possible, with information sharing limited to persons on a "need to know" basis. The identities of persons communicating information or otherwise involved in an investigation or allegation of misconduct or fraudulent activity will be revealed beyond the institution and the TBR Legal and Business Office staff only as necessary to comply with reporting requirements, state law or if legal action is taken.

Administrators at all levels of management must implement, maintain, and evaluate an effective compliance program to prevent and detect fraudulent activities. Once fraud has been reported, the overall resolution should include an assessment of how it occurred, an evaluation of what could prevent recurrences of the same or similar conduct, and implementation of appropriate controls, if needed.

Source: (date of approval, presidents meeting)

Attachment A

NOTIFICATION OF LOSS OF FUNDS AND/OR PROPERTY

(Date)

_________________, Vice Chancellor for Business and Finance
Tennessee Board of Regents
1415 Murfreesboro Road, Suite 350
Nashville, TN 37217

Dear ____________:

Please be advised that the following loss has occurred in ___(Department Name)___ at _____(Institution)______.

Below is a brief description of the loss:

(include individuals name, approximate amount in question, and the nature of the loss)
____
____
____
____
____

The situation is currently being investigated by ___(investigating unit)____. A case resolution report will be issued to you by ____(name, title, phone number)____ at the conclusion of the investigation.

Sincerely,

______________(Name)________________

______________(Title)_________________

Attachment B

CASE RESOLUTION REPORT

________________(INSTITUTION NAME)________________

(Date) _______________

Department:___________________________________ Unit:_______________________

1. Date of the loss:____

2. Reported by:____

3. Investigation/unit conducted by:_______________________________________

4. Description of the loss:

____
____
____
____
____

5. Total amount of loss:____

6. Was employee dishonesty discovered? Yes_____________ No____________

7. Name(s) of employee(s) involved:

____
____
____
____

8. Action taken:

____
____
____
____

9. Methodology used to determine loss:

____
____
____
____

10. Internal control weaknesses found:

____
____
____
____

11. Actions taken to resolve weaknesses:

____
____
____
____

<u>ATTACHMENT D</u>

<u>TBR GUIDELINE P-130</u>

VIII. Employees 65 Years and Above

In accordance with TCA§49-7-113 and TBR Guideline B-060, regular and temporary employees who are or will be age 65 during a quarter or semester and who also reside in Tennessee are eligible to enroll in courses ~~without assessment of~~ **at a reduced rate** ~~maintenance, student activity, technology access or registration fees. However, the institutions may assess fees~~ as outlined in Section VIII.B.

A. Eligibility

~~1. Employees who are or will be age 65 during the academic term in which they begin classes and who reside in Tennessee~~

~~2. Retirees who are or will be age 65 during the academic term in which they begin classes and who reside in Tennessee~~

~~3~~. Active and retired state employees who are or will be age 65 during the academic term in which they begin classes and who reside in Tennessee

B. Fees Paid/Type Courses Paid/Number of Hours

1. ~~Courses will be free of charge; however, a fee may be assessed equal to 50% of the per hour rate with a maximum of $45 for two-year institutions or $75 per semester university or a maximum of $30 for the technology centers~~ **A fee of $75 per semester or $50 per quarter may be assessed for credit courses (This fee includes maintenance fees, student activity fees, technology access fees, and registration fees; it does not preclude an application fee, late fee, change-of-course fee, parking fee, etc.)**

2. Employees shall enroll in credit courses on a space-available basis.

3. There is no limit on the number of courses that may be taken during a semester.

4. The institution where the employee/retiree is attending classes will provide forms for processing fees waived or assessed.

C. Payback Provisions

None

D. When the Participant May Attend

1. Employees, in counsel with their immediate supervisors, should limit the number of courses so as to maintain an optimum level of job performance.

2. Except for retirees, courses should be scheduled at times other than during regularly scheduled work hours unless annual leave or flextime, based on the institution's needs, have been approved.

E. Accounting/Budgeting

1. Any fees waived by statute that are calculated and credited to revenue for administration purposes should be written off against a contra revenue account.

2. No expenditures should be charged to scholarships and fellowships.

F. Where the Participant May Attend

Employees may enroll at any public Tennessee institution.

ATTACHMENT E

TBR Guideline B-070

SUBJECT: Deferred Payment Plan

The purpose of the following guideline is to outline significant provisions for consistent administration of the deferred fee payment program at the four-year and two-year institutions governed by the Tennessee Board of Regents. ~~They are~~ **The guideline is** intended to serve as a reference document for institutional staff responsible for implementing and communicating deferred fee payment matters.

I. General Provisions

Each four-year and two-year institution is authorized to offer a deferred payment plan as provided in the Tennessee Board of Regents Policy on Payment of Student Fees and Enrollment of Students (No. 4:01:03:00). The deferred payment plan is available for regular academic terms, but not for summer or other short terms.

II. Eligibility

All students in good financial standing and with no outstanding account balances from previous terms are eligible to participate in the deferred payment program. Students that have failed to make timely payments in previous terms may be denied the right to participate in the deferred payment program in additional enrollment periods. Institutions may set minimum balances due for students to be eligible for deferred payment.

III. Payment Terms

All financial aid awarded by the institution, including student loans, must be applied toward payment of total fee balances before the deferred payment plan may be utilized. At least 50% of the remaining balance after financial aid and discounts are applied must be paid at the beginning of the term. The remaining balance may be paid in a minimum of two equal installments. Due dates for these payments will be set by the institution with approximately 30 days between due dates. All installments should be scheduled so that the entire balance due is paid by the end of the semester.

IV. Service Charges and Fines

Institutions may charge a service fee of $10 to ~~$25~~ **$50** to help defray administrative costs associated with the deferment program. An additional late payment charge not to exceed $25 will be assessed on each installment which is not paid on or before the due date **and each 30 day period past the 2nd installment up to a maximum of $100**. Withdrawals from classes will not alter any remaining balance due except to the extent that any refund may be applied in accordance with Guideline B-060.

V. Approval of Exceptions

In accordance with these guidelines, the president of an institution or designee has the authority to determine the applicability of the provisions of the deferred payment program and to approve exceptions in instances of unusual circumstances. All such actions ~~should~~ **must** be properly documented for auditing purposes.

Source: May 14, 1996 Presidents Meeting, May 9, 2000 Presidents Meeting.

ATTACHMENT F

UNIVERSITY BUSINESS OFFICERS ATHLETICS MEETING

October 24, 2002

MINUTES

The meeting began at 1:00 p.m. at the MTSU Foundation House. Present were Dr. Bob Adams, (APSU/TBR); Mr. Jim Bowman (ETSU); Dr. David Collins (ETSU); Mr. Mike Gower (MTSU); Mr. Clay Harkleroad, Jr. (TSU); Mr. Al Irby (APSU); Dr. Dave Larimore (TTU); Mr. Charles Lee (UOM); Ms. Linda Maxwell (TTU); Mr. Terry Rector (TTU); Dr. Greg Wilgocki (ECOM); Ms. Deanna Hall, Ms. Lisa Hall, Ms. Ann Rutland, Mr. Ron Simmons, and Ms. Renee Stewart, (TBR).

Dr. Adams called the meeting to order.

The business officers discussed how various items will be charged to athletics or excluded from athletics. The following is a listing of the items discussed and the conclusions reached.

	Expense Item	Conclusion
1.	Ticket takers	Charge to athletics to the extent they provide direct support to athletics.
2.	Game security	If event is held on-campus, do not charge to athletics. If event is held off-campus, charge additional expense to athletics.
3.	Game custodial services	If event is held on-campus, do not charge to athletics. If event is held off-campus, charge additional expense to athletics.
4.	Sports information personnel	Charge to athletics.
5.	Staff benefits	Charge to athletics in the same manner salaries are charged to athletics.
6.	Athletic business office staff	Charge to athletics those people directly dedicated to athletics.
7.	Tutoring/advising	Charge to athletics for those services dedicated to athletics.
8.	Fundraising/developmen t staff	Charge to athletics based on the percentage of effort devoted to athletics.
9.	Athletic insurance	Charge to athletics.
10.	Recruitment of athletic employees	Only charge to athletics expenses related to items outside the normal recruiting efforts (such as travel).

It was noted that universities should not change the manner in which the above items are recorded for FY 03. These items will be effective in FY 04. Dr. Adams requested that universities prepare pro-forma statements of revenues and expenses for athletics for FY 03 as if the above items were implemented for FY 03. This information will be used to gauge the effect of these items on the proposed general fund support cap. These pro-forma statements will be submitted to the TBR Central Office no later than November 11, 2002.

In addition to the above items, membership conference fees and complimentary ticket revenue/expense was discussed. Dr. Adams requested that all universities forward the amount of membership conference fees paid for FY 03 and how this expense was recorded. Additionally, Dr. Adams requested that each university forward information on how the complimentary ticket program is administered and how the revenues/expenses are recorded. These items should be submitted to the TBR Central Office with the pro-forma statements no later than November 11, 2002.

Dr. Adams reminded the business officers that the FY 03 actual general fund support amount should not exceed the general fund support amount budgeted in the Spring Estimated budget. This has been a problem in previous years.

There being no further business, the meeting adjourned.