BUSINESS AFFAIRS SUB-COUNCIL

October 22, 2003

MINUTES

The meeting began at 9:30 a.m. in the TBR Board Room. Present were Ms. Tammy Swenson, Chairperson (CSTCC); Ms. Linda Boyd (NSTCC); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Mr. John Cothern, (MTSU); Mr. Bill Fuqua (RSCC); Mr. Danny Gibbs (VSCC); Mr. Mike Gower (MTSU); Mr. Clay Harkleroad, Jr. (TSU); Mr. Ken Horner (COSCC); Dr. Charles Hurley (CLSCC); Dr. Julian Jordan (WSCC); Mr. Ron Kesterson (PSTCC); Ms. Linda Langiotti (NSCC); Mr. Charles Lee (UOM); Ms. Linda Maxwell (TTU); Ms. Marsha Mitchell (DSCC); Mr. Mike Posey (MSCC); Ms. Susan Rains (STCC); Mr. Terry Rector (TTU); Mr. Mitch Robinson (APSU); Mr. David Zettergren (UOM); Mr. Greg Wilgocki (ETSU); Dr. Bob Adams, Ms. Kathy Crisp, Ms. Deanna Hall, Ms. Lisa Hall, Mr. Raja Kodali, Mr. Maurice Pittman, Ms. Ann Rutland, Mr. Ron Simmons, Ms. Renee Stewart and Mr. Bob Wallace (TBR).

Ms. Swenson called the meeting to order.

BUSINESS

1. **Chancellor Manning's Remarks**

Chancellor Manning discussed the 5% budget reduction the state is forecasting for FY 04/05. TBR staff developed two methods of distributing the reduction among the campuses and the Central Office. The two methods have been discussed with the presidents. One method will be chosen and forwarded to Finance and Administration's Division of Budget.

Chancellor Manning discussed the increased scrutiny legislators are placing on the operations of the foundations. The Chancellor compared the foundation's funds to the funds appropriated by the state to private institutions. While the foundation's funds will be audited by the Comptroller's Office, the state has no oversight of those funds appropriated to private institutions.

Chancellor Manning demonstrated why fee increases outpace inflationary rates. When the state appropriation remains flat, student fees must 1) fund inflationary increases for both institutional revenues and state appropriations, 2) fund enrollment growth, and 3) fund scholarship and discount programs. As an example, in years of a flat appropriation, a 2.5% inflation rate equates to a 9% fee increase. Factoring in a 5% budget reduction would push the 9% fee increase even higher.

Chancellor Manning emphasized that TBR's first priority for the coming legislative session is a dedicated source of funding for capital outlay and capital maintenance needs.

2. **Report of the Finance Committee**

Dr. Collins highlighted the following issues from the October 9, 2003, Finance Committee meeting.

A. Audit of Presidential Expenses

The Finance Committee recommended three policy revisions/additions to address items noted in the recent audits of presidential expenses. These items include the following:

- A revision to the travel policy prohibiting the use of procurement cards to pay travel expenses (Attachment A). After discussion, the BASC agree to allow the use of procurement cards for team/group travel.
- A revision to the travel policy addressing the use of chartered aircraft (Attachment B).
- A new policy addressing business meals (Attachment C). The travel policy will include a reference to the new policy (Attachment C). The BASC requested deletion of the phrase “holiday and retirement parties” from the last paragraph. This deletion will give the campuses more autonomy in deciding which events are appropriate.

B. Inventory of Library Materials

The Finance Committee recommended writing a position paper that advocates maintaining a perpetual inventory listing of library holdings in lieu of the annual inventory and forwarding it to state audit for approval. Dr. Jordan, Dr. Collins, Ms. Stinson, and Ms. Maxwell volunteered to review the position paper for Board staff. If the position paper is approved, appropriate revisions will be proposed for Policy 4:05:01:01-Administrative Control Method for TBR Libraries.

C. Outsourcing of Credit Card Payments

Dr. Collins updated the Committee on the results of UT’s outsourcing of credit card payments. UT officials stated that the campus received some complaints about the new fee during the registration period. Additionally, students paying with credit cards declined 53% as compared with the prior year. The number of students paying by mail or lockbox increased, as did the number of students paying at the cashier windows. UT did not offer e-check as an alternative to paying by credit card.

It was noted that VISA contacted UT regarding the new fee and requested evidence that a service was being provided to students. VISA appears to have accepted UT’s explanation.

The BASC requested that this issue be included on the Presidents Council agenda for further discussion.

D. Guideline P-130 Educational Assistance

The Finance Committee discussed whether the spouse and dependent children fee discount applies to non-degree or early admission students. Guideline P-130 requires recipients of this discount to be admitted through "standard admission procedures." No authoritative definition of "standard admission procedures" could be located.

To ensure consistency in discount application, the Committee recommended removing the phrase "through standard admission procedures" from section VII.A.1. of Guideline P-130 (Attachment D). This application will be prospective only, beginning with the Spring 2004 semester. The discount will not be applied retroactively for non-degree or early admission students.

The Committee also discussed adding a provision to the Clerical and Support Staff Maintenance Fee Payment Program allowing institutions to elect to pay RODP fees, subject to departmental budget constraints (Attachment E). It was noted that the RODP fee would not be eligible for payment under any other educational assistance program, including PC 191.

E. Object Codes

The Committee discussed which object code is appropriate when expensing buildings that do not meet the capitalization threshold. An example of this is if an institution purchases property for $90,000 that includes a building that will not be razed. The land is valued at $20,000 and the building is valued at $70,000. The Committee determined that the object code range 4980 to 4989 would be appropriate.

F. Guideline for Gramm-Leach-Bliley Act

The Finance Committee recommended the proposed guideline outlining compliance procedures for the Gramm-Leach-Bliley Act (Attachment F). The guideline is to be followed in conjunction with a packet of information forwarded to all Presidents on July 30, 2003. While the presidential packet was more extensive and detailed, the guideline will have long-range applicability.

G. Fee Subcommittee

The Fee Subcommittee recommended the following items appear on student fee statements and on-line student accounts:

Tuition
Out-of-state tuition
Program and services fees
RODP fees
Housing (and board, if applicable)

The Finance Committee recommended grouping mandatory fees under the title "registration fees" and nonmandatory fees under the title "program and services fees" so that fee statements and on-line student accounts appear as follows:

Tuition
Out-of-state tuition
Registration fees
Program and services fees
RODP fees
Housing (and board, if applicable)

This display will help clarify which fees are subject to the fee discount programs (tuition and mandatory fees).

The Finance Committee minutes were approved.

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

Maurice Pittman highlighted the following issues from the October 15, 2003, Human Resource Officers meeting.

A. Policy 5:01:00:00 and Guideline P-010

The HR Officers recommended requiring the Chancellor's approval for interim appointments of academic deans, academic department/division heads, directors of Centers of Excellence/Emphasis, etc.

B. Guideline P-120

The HR Officers discussed why TBR withholds taxes on longevity at the flat rate while the State bases the withholding on W-4 allowances. Both options are allowable under IRS Circular E. Raja Kodali stated that IT will send computer center directors instructions on how to make HRS accommodate the second option. Effective January 1, 2004, institutions will be able to elect either longevity withholding option. Revisions to Guideline P-120 were proposed to reflect this option.

C. Compensation Issues

Mr. Pittman discussed the status of a systemwide non-exempt pay plan. TBR representatives have met with the University System of Georgia to review Georgia's newly revised method for classifying positions according to IPEDS. The 400+ TBR job descriptions are being reviewed.

Mr. Pittman discussed extra compensation and retirement issues. While TBR policy has been revised removing the extra compensation caps, TCRS still caps extra compensation at 125% for retirement reporting.

The Human Resource Officers Committee minutes were approved.

4. <u>5% Budget Reduction</u>

Dr. Adams discussed the recent memo from the Department of Finance and Administration requesting a 5% budget reduction for FY 04-05. Currently, higher education is only required to report how the reduction will be allocated among the institutions. Specific detail on how each institution will accommodate the reduction is not requested at this time.

Board staff developed two options for allocating the reduction. Option A is an across-the-board 5% reduction based on FY 04 appropriations. Option B prorates the reduction based on the total of state appropriations, maintenance fees, and out-of-tuition. Option B reduces the impact of the 5% reduction on those institutions that rely more heavily on state appropriations, such as the technology centers. The BASC discussed the advantages/disadvantages of both methods. Both options were also discussed with the presidents and TTC directors. One option will be selected and forwarded to F&A by the end of October.

5. <u>Horizon Contract</u>

The BASC was provided a copy of the current contract draft as well as documentation guidelines developed by state audit. TBR and Horizon representatives have agreed on all contract items except the reporting requirements included in section E.9. Once those differences have been resolved, the contract will be signed. At this time, only two institutions have opted out of the program.

State audit's documentation guidelines were discussed and appear very cumbersome. The institution will bear the burden of proving that using the Horizon price saved the state money. The state's attorney general has verbally stated that Horizon's price is not a bid and cannot be used as such during the bidding procedure.

9. <u>Other Business</u>

- Mr. Robinson asked how institutions are recording the transactions between the university and community college for remedial courses. The BASC referred the matter to the Finance Committee for recommendation.
- Dr. Adams discussed the assurances this office has given internal auditors regarding the presidential audits and retaliation fears. Additionally, Dr. Adams discussed that legislators and the Comptroller expect business officers to exercise their fiduciary responsibilities and report any presidential wrongdoing to the Board regardless of pressure from the president.
- Ms. Rutland updated the BASC on the status of the administrative software RFP. The RFP is still in the attorney/client privilege stage, so detailed questions could not be addressed. The proposal will be presented to the presidents at their November 5, 2003, meeting. The committee hopes to send the RFP to vendors on December 1, 2003, conduct demonstrations during February 2004, and award the contract March 1, 2004.
- The BASC questioned if any GASB 39 training will be available. The GASB group is meeting in January 2004 and will discuss training options at that time.

There being no further business, the BASC adjourned.

ATTACHMENT A

Policy No. 4:03:03:00

SUBJECT: General Travel

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

ATTACHMENT B

IV. <u>Transportation</u>

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

4. <u>Chartered Aircraft</u> – 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 should 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.**

ATTACHMENT C

VI. Meals

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

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

Per Diem Rates – Three-fourths Calculations

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

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

In-State and Out-of-State of Tennessee

Meals and Incidental – Allocated by Meal

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

Incidentals	2	2	2	2

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

3. Business Meals – See Policy ___________ for criteria on reimbursing business meals.

Policy ________ - Business Meals

The university/college/technology center may pay or reimburse properly documented meals whose primary purpose is a business discussion. Business meals generally include at least one non-university/college/technology center employee. However, occasional gatherings of university/college/technology center employees may also be reimbursed as business meals. Expenses may be incurred only for those individuals whose presence is necessary to the business discussion.

In addition to an itemized receipt, IRS rules on substantiation of business expenses require documentation of the time, date, place, specific topic of discussion and attendees at the meals. Please note that the documentation requirements apply to all on-campus or off-campus business meals, regardless of payment method. Accordingly, all on-campus dining facilities require this documentation for all meals charged to departmental accounts.

The university/college/technology center will deny reimbursement for meal expenses that lack documentation or a clear business purpose. Gatherings that are primarily social in nature do not qualify for payment or reimbursement as business meals.

ATTAC HMENT D

VII. Student Fee Discount for Spouse and Dependent Children of Employees Program

The purpose of this policy is to establish the provisions for such fee discounts up to 50% of the undergraduate fee and all mandatory student fees payable at the time of registration for spouses and dependent children of regular full-time and regular part-time employees, and to encourage such qualified students to attend the Tennessee technology centers, TBR and UT institutions. These mandatory student fees include maintenance fees, tuition, debt service fee, student activity fee, general access fee, student government fee, and technology access fee. The mandatory student fees do not include the application fee, off-campus facilities fee, or any special course fees.

A. Eligibility

The following groups will be eligible under this program:

1. Regular full-time employees and medical residents are eligible for a student fee discount for their spouses and dependent children who have been admitted to any of the institutions in the TBR or UT system as undergraduate students ~~through standard admission procedures~~. Spouses and dependent children of regular part-time employees who have one or more years of continuous service within either system working a minimum of fifty percent (50%) time shall receive a pro rata discount based on the percent of effort currently worked by the employee. (Part-time employees with temporary service immediately preceding regular service shall receive credit for such service if they are eligible for leave accrual adjustments.)

ATTACHMENT E

IV. Clerical and Support Staff Maintenance Fee Payment Program

This program's general goal is to encourage staff members to develop their skills and knowledge through participation in educational programs. The fee payment program is designed to provide maintenance fee payment for an employee who takes credit courses in a degree program and who takes the courses at any Tennessee public institution while continuing work responsibilities at the home institution/technology center/Central Office.

A. Eligibility

1. This program is available to all regular part-time and full-time clerical and supporting staff members who have been employed by the institution/technology center/Central Office for at least six months. Staff members shall be defined as not including faculty, administrators/professional staff,graduate assistants, post-doctoral fellows, or personnel holding faculty rank or status. Regular part-time employees may receive a pro rata portion of assistance based on percentage of contract for employment. Employees with prior temporary service immediately preceding regular employment shall receive credit for such service if they qualify for leave accrual and longevity adjustments.

2. In addition, employees who retire with at least 10 years of service maintain eligibility under this program.

3. The status of an employee on the published first day of classes for each term determines eligibility for participation in this program. Any change in status after the first day of classes shall not affect eligibility for that term or the amount of assistance received.

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

1. This program is designed to provide maintenance or tuition-related fees for a maximum of six (6) credit hours per term. Tuition-related fees may include maintenance fees, tuition, debt service fees, technology access fees, service charges and incidental fees payable at the time of registration. **The institution may elect to pay RODP fees for the employee, subject to departmental budget constraints.** The employee will be responsible for application fee and required deposits, laboratory fees, etc.

2. Employees must meet the requirements for admission and are subject to institutional regulations and academic procedures.

ATTACHMENT F

GUIDELINE __ - ____

SUBJECT: Safeguarding of Customers' Nonpublic Financial Information (Gramm-Leach-Bliley Act)

Federal law requires that financial institutions, the definition of which includes the Tennessee Board of Regents and its institutions, comply with the Gramm-Leach-Bliley Act and, in so doing, safeguard the confidentiality of nonpublic financial information of its constituents. This guideline is issued to aid Tennessee Board of Regents institutions in drafting Information Security Programs to comply with the Federal Trade Commission's "Standards for Safeguarding Customer Information" Rule promulgated under the authority of the Gramm-Leach-Bliley Act.

I. DEFINITIONS

As used in this guideline the following terms shall mean:

A. *Customer* is defined as a consumer who has a customer relationship with a financial institution. A consumer means an individual (or that individual's legal representative) who obtains or has obtained a financial product or service from a financial institution that is used primarily for personal, family, or household purposes.

B. *Nonpublic financial information* is any record that an institution obtains from a customer in the process of offering a financial product or service, or such information provided to the institution by another financial institution. The term *nonpublic financial information* means any information: (1) (a) that a student or other third party provides in order to obtain a financial service from the institution; (b) about a student or other third party resulting from any transaction with the institution involving a financial service; or (c) otherwise obtained about a student or other third party in connection with providing a financial service to that person, and (2) any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable financial information that is not publicly available.

C. *Offering a financial product or service* includes, but is not limited to, offering / processing student loans; granting emergency or long term loans to students or employees; receiving income tax information from a student's parent when offering a financial aid package; offering career counseling services to individuals who seek employment at financial institutions; and management consulting activities on any subject to a financial institution and on financial, economic, accounting, or audit matters to any company.

D. *Financial Institution* refers to any institution the business of which is significantly engaged in financial activities, which may include but are not limited to, extending credit and servicing loans; lending, exchanging, transferring, investing for others, or safeguarding money or securities; insuring, guaranteeing, or indemnifying against loss harm, damage, illness, disability, or death. The FTC has classified institutions of higher education as financial institutions for purposes of compliance with the Gramm-Leach-Bliley Act's safeguarding rule as such institutions process student loans.

E. *Service Providers* refers to all third parties who, in the ordinary course of institutional business, are provided access to customers' covered data and information. Service Providers may include, but are not limited to, business retained to store, transport, and / or dispose of covered data; collection agencies; and technology systems support providers.

II. PURPOSE

This guideline explains the procedure by which Tennessee Board of Regents institutions must develop a comprehensive written Information Security Program (the "Program") as mandated by the Gramm-Leach-Bliley Act ("GLBA") Standards for Safeguarding Customer Information Rule. An institution's Program must include the components described below pursuant to which the institution intends to: (i) protect the security and confidentiality of *customers' nonpublic financial information*; (ii) protect against any anticipated threats or hazards to the security or integrity of such information; and (iii) protect against unauthorized access or use of such records or information in ways that could result in substantial harm or inconvenience to customers.

The Program may consist of existing institutional policies and procedures that are incorporated by reference into the Program, including but not limited to policies such as, computer / electronic records confidentiality policies, Family Educational Rights & Privacy Act policies, employee / personnel records confidentiality policies, etc.

III. SCOPE OF PROGRAM: NONPUBLIC FINANCIAL INFORMATION

The Program shall apply to any paper or electronic record maintained by an institution that contains *nonpublic financial information* about an individual or a third party who has a relationship with the institution. Such *nonpublic financial information* shall be kept confidential and safeguarded by the institution, its affiliates and service providers pursuant to the provisions of the Program.

IV. REQUIREMENTS OF AN INFORMATION SECURITY PROGRAM

A. PROGRAM COORDINATOR

The institution's Security Information Program must include the designation of a Program Coordinator ("Coordinator") who shall be responsible for implementing the Program. The Coordinator may be a single employee as designated by the Program. In the alternative, the Program may designate several employees as Coordinators such that one employee serves as the institution's primary Coordinator who works in conjunction with departmental Coordinators who are responsible for oversight of safeguarding records in their departments in accordance with the institution's Program.

The Coordinator shall, at a minimum, perform the following duties:

1. consult with the appropriate offices to identify units and areas of the institution with access to customers' nonpublic financial information and maintain a list of the same;
2. assist the appropriate offices of the institution in identifying reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customers' nonpublic financial information and make certain that appropriate safeguards are designed and implemented in each office and throughout the institution to safeguard the protected data;
3. work in conjunction with the institution's contract officer(s) to guarantee that all contracts with third party service providers that have access to and maintain nonpublic financial information of the institution's customers include a provision requiring that the service provider comply with the GLBA safeguarding rule;
4. work with responsible institutional officers to develop and deliver adequate training and education for all employees with access to customers' nonpublic financial information; and
5. periodically evaluate and monitor the effectiveness of the current safeguards for controlling security risks by periodically verifying that the existing procedures and standards delineated in the Program are adequate.

B. SECURITY AND PRIVACY RISK ASSESSMENTS

The Program shall identify reasonably foreseeable external and internal risks to the security, confidentiality, and integrity of nonpublic financial information that could result in the unauthorized disclosure, misuse, alteration, destruction, or otherwise compromise of such information, and assess the sufficiency of any safeguards in place to control those risks. Risk assessments should include consideration of risks in each office that has access to customers' nonpublic financial information. The GLBA requires that the risk assessment section of the Program must, at a minimum, include consideration of the risks in the following areas.

1. ***Employee training and management.*** A GLBA employee training program shall be developed by the Coordinator in conjunction with the human resources office and legal counsel, if necessary, for all employees who have access to individuals' nonpublic financial information, such as information technology / systems employees and those employees who use such data as part of their essential job duties. The training shall occur on a regular basis, as deemed appropriate by the Coordinator, and it shall include education on relevant policies and procedures and other safeguards in place or developed to protect nonpublic financial information.
2. ***Safeguards of information systems / technology processing, storage, transmission and disposal*** (including network and software design). Programs should include safeguards so that network and software systems are reasonably designed to limit the risk of unauthorized access to nonpublic financial information.
3. ***Methods to detect, prevent, and respond to attacks, intrusions, or other system failures*.**

C. IMPLEMENTATION OF SAFEGUARDS

The Program must include information regarding the design and implementation of information safeguards to control the risks identified through the risk assessment described in the previous component, "B. SECURITY AND PRIVACY RISK ASSESSMENTS." The Program shall also include methods to regularly test or otherwise monitor the effectiveness of the safeguarding procedures. The Program's monitoring may include technology system checks, reports of access to technology systems, and audits.

D. OVERSIGHT OF SERVICE PROVIDERS AND CONTRACTS

The GLBA requires institutions to take reasonable steps to select and retain third party service providers that are capable of complying with the GLBA by maintaining appropriate safeguards for the customer information to which they have access. The GLBA requires that the institution's current and potential service providers that have access to customers' nonpublic financial information maintain sufficient procedures to detect and respond to security breaches. The Program must include a reference to the institution's duty to require, by contract, that all applicable third party service providers implement and maintain appropriate GLBA safeguards for customers' nonpublic financial information.

E. EVALUATION AND REVISION OF PROGRAM

The GLBA mandates that an institution's Program be subject to periodic review, evaluation, and adjustment. The Program must include a plan by which it will be evaluated on a regular basis and a method to revise the Program, as necessary, for continued effectiveness.

V. ASSESSMENT OF THE INFORMATION SECURITY PROGRAM

The Coordinator, in conjunction with the appropriate administrators, shall assess the effectiveness of the Program annually. The Coordinator shall make certain that necessary revisions to the Program are made at the time of the annual review to address any changes in the institutional organization that may affect the implementation and effectiveness of the Program.

VI. PUBLICATION OF THE INFORMATION SECURITY PROGRAM

To promote uniform compliance with the Program by all personnel employed by TBR institutions and to achieve the institution's duty to safeguard the confidentiality of customers' nonpublic financial information, the institution shall, at a minimum, display and disseminate the Program in accordance with the institution's standard distribution methods. The institution's current Program shall be available upon request for review and copy at all times.