

## BUSINESS AFFAIRS SUB-COUNCIL

October 21, 2009

### MINUTES

The meeting began at 9:00 a.m. in the TBR Board Room. Present were Ms. Debra Bauer (NaSCC); Ms. Cynthia Brooks (TSU); Mr. Steve Campbell (NeSCC); Mr. Horace Chase (JSCC); Dr. David Collins (ETSU); Ms. Beth Cooksey (VSCC); Mr. John Cothorn (MTSU); Mr. Mike Gower (MTSU); Mr. Ken Horner (CoSCC); Dr. Charles Hurley (CISCC); Mr. Tim Hurst (APSU); Dr. Rosemary Jackson (WSCC); Ms. Renee Moore (PSCC); Mr. Ron Parr (STCC); Mr. Mike Posey (MSCC); Mr. Mitch Robinson (APSU); Dr. Claire Stinson (TTU); Ms. Velma Travis (DSCC); Ms. Hilda Tunstill (MSCC); Mr. Jack Walker (RSCC); Mr. Greg Wilgocki (ETSU); Mr. Jeff Young (TTU); Mr. David Zettergren (UOM); Ms. Kathy Crisp, Mr. Tom Danford, Ms. Alicia Gillespie, Ms. Tammy Gourley, Ms. Angela Gregory, Mr. David Gregory, Ms. Deanna Hall; Ms. Lisa Hall, Ms. Barbara Jernigan, Mr. Carl Manka, Dr. Charles Manning, Ms. Pat Massey, Mr. Ron Ostefeld, Ms. Brooke Shelton, Mr. Dale Sims, and Ms. Renee Stewart (TBR).

#### 1. Chancellor's Remarks

Dr. Manning informed the committee of the Board's desire to move the tuition and fees request to the March Board meeting. There has already been some discussion of moving the mandatory and incidental fees request to the March meeting, and the Board would like to see the whole picture together.

Dr. Manning asked the committee to think about changes that could be made to TBR operations that would simplify things. For example, reducing the number of TBR Central Office signatures needed on forms by giving more approval authority to the campuses. This may require some policy or guideline changes to implement.

Dr. Manning was asked if he had any thoughts on the fees for next year. His initial thought is that there will probably be a 6-7% increase. He stated that we should be open to differential or special program fees. He also stated that we will be studying the impact that the discount on fees over 12 hours had on enrollment this year before deciding on how this will be handled next year.

Dr. Manning also discussed increasing the \$100,000 capital projects limit. Many states currently use \$500,000 as the limit. The \$100,000 is based on a State Building Commission rule. He is not sure that the political climate is right to seek a change at this time.

#### 2. Discussion of ARRA and Capital Projects

Mr. Gregory discussed the revised THEC ARRA guidelines. The guidelines now model federal guidelines as they relate to capital projects. So far 19 capital projects have been submitted, and 5 of those have gone through SBC and been approved.

He asked that planned usage reports be submitted by November 1, 2009. The projects are

available on the web for other campuses to view on P175. However, you will not be able to tell from this listing which projects are P175 and which are ARRA projects. Mr. Manka will provide a list of ARRA projects to the campuses. Mr. Gregory also informed the committee that it was critical to be able to demonstrate a reduction of operating expenses and how the project dovetails with the campuses priorities.

The committee was also reminded that projects under \$100,000 need to come forward through the same THEC process if they are using ARRA funds. A DB-70 is required for these projects.

The committee also discussed the cash flow on ARRA projects. The campus will deposit money into the LGIP-Capital Projects account upon notification of invoice. We do not currently deposit reimbursements back into the LGIP Deposit-Capital Projects account. The reimbursement will be deposited into the LGIP-Operating Account.

### **3. Report of the Committees**

#### **A. Finance Committee**

Dr. Collins highlighted the following issues from the October 8, 2009 Finance Committee meeting.

- **Longevity Pay and Separation of Automatic Deposits**

The committee discussed recent legislation regarding longevity pay and separation of automatic deposits. The legislation states that longevity pay shall be issued by a separate ACH transaction to the employee, unless the employee elects not to receive a separate ACH transaction. The distribution method that the employee has chosen for their payroll check between accounts will be the same for their longevity. Neither Banner nor the state's system will allow a different distribution method.

A possible compromise includes each institution giving employees a choice of receiving a separate ACH transaction for longevity. If a majority elects to separate longevity from the paycheck, then all employees will receive a separate ACH transaction for longevity. If a campus majority chooses to separate longevity from the paycheck, the institution should implement the change this fiscal year to be in good faith with the legislation.

- **Compensated Absences and OPEB**

The committee discussed the compensated absences and OPEB liabilities and the impact on the 2%-5% reserve carryforward. It was discussed whether institutions want to start budgeting for these liabilities. It is taking more than 5% to cover the liabilities and causing a problem with the total fund balance in the budget process. For the OPEB liability, institutions feel they are recording a liability that will never be paid.

TBR personnel have checked with UT, and they are not budgeting for OPEB. Therefore, in the next budget cycle we will take out the beginning and ending allocations. However, the OPEB liability still has to be recognized in the financial statements.

- Year-End Approval Letters

The committee discussed the year-end approval letters submitted for transfers not budgeted in the Estimated budget. Currently, any transfers not in the Estimated budget but included in the financial statements require the institution to submit a letter requesting TBR approval. TBR personnel have determined that this is no longer required. Institutions must continue to provide an explanation on Supplemental Schedule 2 in the financial statements as to why the transfer exceeded the Estimated budget.

- Findings and Weaknesses

The committee was reminded that the TBR Audit Committee carefully reviews all findings and continues to express concern on those findings related to the financial statements. It was discussed whether it would be beneficial for the Business Officers to attend the Audit Committee meetings to discuss any concerns related to findings. It was recommended that Business Officers be available by phone for these meetings in order to avoid any unnecessary travel expenses.

- Electronic Transfer of Dues to TSEA

The committee discussed the electronic transfer of dues to the Tennessee State Employees Association (TSEA). Currently, institutions send a check and printed roster to TSEA for employee dues. TSEA has requested that the dues and roster be submitted electronically.

- Guideline B-060 Fees, Charges, Refunds and Fee Adjustments

The committee discussed revisions to Guideline B-060 regarding summer school. Language regarding summer school that was previously deleted was added back to the guideline.

The committee also discussed whether there were any other changes from the implementation of the tuition cap removal. Several changes were given to TBR personnel and these have been incorporated into the guideline. (Attachment A)

- Implementation of Tuition Cap Removal

The committee discussed issues resulting from the implementation of the tuition cap removal. The calculation of refunds for drop/add students has been a problem at nine institutions. If students have a certain code then the refund is calculating incorrectly, ranging from \$4.50 to \$13,000. TBR IT has tried to find a

commonality among institutions, but has not resolved this problem yet.

The committee discussed the frustration that the institutions are having with getting the problem solved. This will be discussed with appropriate TBR personnel.

- Review of TAF Plans

The committee discussed the TAF plans. A proposal under consideration is that the campuses prepare their actual plans and keep them at the campus level for auditors and only submit their proposed plan. Only 25% of these would be selected for review. The due date of the plans was also discussed. The committee decided that the current timeframe works well.

The Finance Committee minutes, with the guideline revisions, were approved.

## **B. Council of Buyers**

Ms. Gregory informed the committee that there was no Council of Buyers meeting this quarter due to the TAGM conference this week. However, she did have a few items to provide updates on.

- Fiscal Review

TBR was notified that Fiscal Review would like to change the process of how we submit contracts to them. The current process will continue until further guidance is received.

- Touchnet Contract

UT submitted a new Touchnet contract to Fiscal Review. Fiscal Review is now asking questions about our contract with Touchnet, such as our maximum liability to them. Ms. Gregory asked the committee if it would be easy to capture the Payment Gateway fee amount so that we could provide the information to Fiscal Review.

- Cost Recovery Vendor

The TBR Central Office and the University of Tennessee met with a cost recovery vendor who currently has a contract with E&I Cooperative. The company has agreed to perform a specific review at an institution. Ms Gregory asked any interested institution to notify her if they are willing to participate.

## C. Human Resources

Mr. Ostenfeld highlighted the following issues from the October 13, 2009 Human Resource Officers Committee meeting.

- Family Medical and Servicemember Leave (FMLA)

The committee discussed a proposed new FMLA policy due to recently issued changes in the regulations. The Office of the General Counsel is proposing a complete revision of the Family and Medical Leave policy. This has been reviewed by a special committee of the Human Resources personnel and the Benefits Committee. It was decided to continue the review process and have a final draft presented in the next cycle meeting for a vote.

- Policy 5:01:01:01 – Annual Leave

Tammy Gourley discussed Item IIIG regarding the disposition of annual leave in cases where employees may be dismissed for gross misconduct. She reviewed the state law on annual leave and the TBR policy. She also stated that HR should consult with Legal Counsel before terminating an employee for gross misconduct.

- Guideline Revisions and Discussions

Mr. Ostenfeld discussed the following guidelines and revisions:

- Guideline P-130 Educational Assistance – Discussion was held on decisions of the Finance Committee’s April 9, 2009 meeting regarding enforcement of the reimbursement provisions of the Clerical and Support Staff Tuition or Maintenance Fee Reimbursement Program and the Faculty or Administrative Professional Staff Tuition or Maintenance Fee Reimbursement Program. Several HR Officers expressed concern on the impact this is having on lower paid staff. Mr. Ostenfeld will research possible remedies and report back to the HR Officers.
- Guideline P-131 Educational Assistance for Spouse and Dependents of TBR Employees – Discussion was held on eligibility and institutional practices on requiring participants to submit proof of eligibility documents. Due to the complexity of verification and the lack of specifics in definition of dependents, this was determined to be best left up to each institution.

Discussion was also held on how institutions are defining the “retiree” for the continued eligibility in this program. The Benefits Committee recommended defining “retiree” as one separating at age 55 with a minimum of 10 years of service or one having 25 years of service or more at separation.

The committee also discussed the provision for retired regular part-time employees. A motion was made to remove the two years from separation restriction for part-time employees to make it consistent with the provisions for full-time employees.

- Certified Professional Secretary or Certified Administrative Professional Examination – Discussion was held on how institutions were applying eligibility for this program. This is not being consistently applied throughout all institutions. The Office of General Counsel issued a memo on the subject in 1991 and Mr. Ostfeld has asked them to update it.
- Voluntary Benefits

Mr. Ostfeld presented seven benefits for possible inclusion in a voluntary benefits package to go out as a Request for Proposal in 2010. Currently the State and UT do not offer any voluntary benefits.

The following benefits were discussed:

- Cancer and Hospital Intensive Care
- Critical Illness
- Short-Term Disability
- Auto and Homeowners
- Pet Insurance
- Legal Assistance and Personal Liability
- Vision

The HR Officers voted to include Cancer and Hospital Intensive Care, Vision Insurance, and Pet Insurance. They also voted to look at short-term disability as a possible separate Request for Proposal.

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

#### **D. Internal Audit**

Ms. Gourley highlighted the following issues from the October 14, 2009 Internal Auditors meeting.

- Internal Audit Policy

The group reviewed revisions to the TBR Internal Audit Policy. Some changes were made to improve the organization of the policy. Changes were also made to update the policy with the Institute of Internal Auditors' definition of Internal Auditing and to amend the frequency of submitting internal audit report information to the Audit Committee. (Attachment B)

The Internal Auditors minutes, with the policy revision, were approved.

#### **4. E-Rate**

The committee discussed the issue of how to charge out-of-state students who are only enrolled in online classes. A committee was formed to work through the issues. David Collins (ETSU), John Cothorn (MTSU), Claire Stinson (TTU), and Debra Bauer (NaSCC) have agreed to serve on the committee.

**5. Timing of Mandatory and Incidental Fees Request**

Some Board members are supportive of moving the mandatory and incidental fees request to the March meeting because the June meeting is so full. Moving the fees request to the March meeting will also help the schools with their planning. However, the Board members have made it clear that all fee requests must be made at the March meeting, and not brought back to the June meeting.

There has also been some discussion of moving the tuition approval to the March meeting as well. This could be risky because we generally do not know in March the extent of state funding that we will receive.

**6. Tuition and Mandatory Fees**

We are considering adjusting the process of setting tuition and mandatory fees into a two-part decision. First, there would be a systemwide request based on budgetary concerns. There would also be a campus-specific request based on the needs at the campus level. This would give more flexibility to the institutions when tuition and mandatory fees are being set. This is still in the concept stage and it will not occur in the next cycle.

**7. Review of Oversight**

Mr. Sims discussed issues regarding oversight. If the TBR Central Office is not adding value to the process, then maybe the Central Office should not be involved. Mr. Sims asked the committee to notify the Central Office of any procedures/approval processes that could be streamlined.

**8. Travel Policy**

The Travel Policy has been updated to reflect the CONUS rate changes. The changes were effective October 1, 2009. Chancellor Manning will approve the revisions through interim action. (Attachment C)

**9. Banner/Sungard Issues**

Mr. Danford informed the committee that an RFI for hosting Banner 8 was being issued. There have been no changes in the timeline of the implementation. They are still in the process of putting together project plans, which will be distributed to campus IT personnel soon.

Hosting will not delay Banner 8 implementation at the universities. The committee stressed that they did not want hosting to add cost to those institutions that do not

participate in hosting. The committee also discussed that hosting may cost more, but it may provide other benefits such as redundancy, removals, recoveries, etc.



## **Guideline B-060**

### **Subject: Fees, Charges, Refunds and Fee Adjustments**

The purpose of the following guideline is to outline significant provisions for consistent administration of fees, charges, and refunds at the institutions governed by the Tennessee Board of Regents. These guidelines largely represent a consolidation of existing statements and practices. They are intended to serve as a reference document for institutional staff responsible for implementing and communicating fee-related matters. The guideline contents include general and specific provisions for: maintenance fees; out-of-state tuition; debt service fees; student activity; miscellaneous and incidental fees; deposits; residence hall fees; and refunds.

These guidelines supersede all previous fee and refund guidelines, and may be revised by action of the Tennessee Board of Regents or the Chancellor. Exceptions to the guidelines may be made by the Chancellor upon written request by the president, or technology center director through the Vice Chancellor for Technology Centers.

#### **I. General Provisions**

##### **A. Establishment of Fees and Charges**

1. The Tennessee Board of Regents must establish or approve all institutional and technology center fees and charges unless specific exceptions are provided. The Board has adopted a practice of approving changes in fees and charges one time per year at the Board meeting when the annual operating budgets are considered. This is usually the regular June meeting of the Board.
2. The institution president or technology center director is responsible for the enforcement and collection of all fees and charges. Fees and charges which specifically do not require Board approval must receive formal approval by the president or designee, in the case of the technology centers, the Vice Chancellor for Technology Centers.
3. Institutions should attempt to follow a general format in publishing information on fees and charges, including but not limited to the following:
  - a. All statements which include the fee amount should be complete and specific enough to prevent misunderstanding by readers.
  - b. When a fee is quoted, the refund procedures should be clearly stated. If there are qualifying conditions for refunds, those conditions also should be stated. If there is no refund, it should be labeled as non-refundable.
  - c. Whenever possible, specific dates related to the payment of fees and the refund procedures should be stated.
  - d. It should be made clear that all fees are subject to change at any time.

## B. Approval of Exceptions

In accordance with these guidelines, the president of an institution or designee has the authority to determine the applicability of certain fees, fines, charges, and refunds, and to approve exceptions in instances of unusual circumstances or for special groups. The Vice Chancellor for Technology Centers shall have this authority for the technology centers. All such actions should be properly documented for auditing purposes.

## C. Appeals Process

An appeals process should be established by each institution and technology center, and communicated to students, faculty, and staff. The process should provide for final appeal to the president or director, or his or her designee. Separate appeals processes may exist for different types of fees, charges, and refunds.

## D. Payment of Student Fees

1. As provided in the Tennessee Board of Regents Policy on Payment of Student Fees and Enrollment of Students (No. 4:01:03:00):

An applicant for admission to an institution will be considered and counted as a student when all assessed fees have been paid in cash, when the initial minimum payment due under the deferred payment plan has been paid, or when an acceptable commitment from an agency or organization approved by the institution has been received by the institution. An applicant shall possess an acceptable commitment when he/she has timely submitted an application(s) for financial aid with the reasonable probability of receiving such.

Pursuant to the above condition, institutions with a continuous registration process must require payment of all applicable fees or payment of the initial minimum payment due under the deferred payment plan prior to the regular registration period as defined by each institution. Students who do not prepay all fees or have an acceptable approved financial aid deferment will forfeit pre-registration privileges and must enroll under the normal registration process.

2. A prepayment plan to assist parents and students with planning and budgeting their academic year expenses is authorized. Under the plan, students may choose the expenses they wish to prepay including room, board, tuition, and fees. Expenses can be prepaid over a period of eight months.

## II. Maintenance Fees

### A. Description of Fees

1. The Maintenance Fee is a charge to students enrolled in credit courses. It is an enrollment or registration fee and is calculated based on the number of Student Credit Hours (SCH's) for universities and two-year institutions or student contact hours for technology centers for which the student enrolls. Fees are established by the Tennessee Board of Regents.

2. The same fee is applicable to courses for which the student is enrolled on an audit basis.

## B. Rates

1. Rates are established by the Board and incorporated in a fee schedule that groups specific fees; by type of institution (two-year institutions; APSU, ETSU, MTSU, TSU, and TTU; and UOM); and by student level (undergraduate and graduate). The hourly rate will be discounted when students enroll in greater than 12 hours of undergraduate and 10 hours of graduate.

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

3. Maintenance fees may not be waived. However, specific exceptions are provided in the following instances:

a. Pursuant to TCA 49-7-113, exceptions exist for certain disabled and elderly students, as well as state service retirees. For audit courses, no fee is required for persons with a permanent, total disability, persons 60 years of age or older and domiciled in Tennessee, and persons who have retired from state service with 30 or more years of service, regardless of age. For credit, a fee of \$70 per semester or \$60 per trimester may be charged to persons with a permanent, total disability, and persons who will become 65 years of age or older during the academic semester in which they begin classes and who are domiciled in Tennessee. (Note: This fee includes maintenance fees, student activity fees, technology access fees, and registration fees; it does not preclude an application fee, late fee, change-of-course fee, parking fee, special course fee, etc.). This only applies to enrollment on a space available basis, which permits registration no earlier than four (4) weeks prior to the first day of classes.

b. Pursuant to TCA 49-7-102, certain statutory fee exceptions exist for dependents and spouses of military personnel killed, missing in action, or officially declared a prisoner of war while serving honorably as a member of the armed forces during a period of armed conflict. If these provisions are invoked by a student, the correct applicable law should be determined.

Military reserve and national guard personnel who are mobilized to active military service within six months of attendance at a TBR institution and whose mobilization lasts more than six months shall be charged upon reenrollment at such institution the tuition, maintenance fees, student activity fees and required registration or matriculation fees that were in effect when such student was enrolled prior to mobilization. After reenrollment, no increase in tuition, maintenance fees, student activity fees or required registration or matriculation fees shall be assessed to such student until a period of time equal to one year plus the combined length of all military mobilizations has elapsed. In no event, however, shall a student's tuition and fees be frozen after reenrollment for more than four years.

To be eligible for the tuition and fee freeze, the student shall have completed military service under honorable conditions and shall reenroll in a TBR institution within six months of release from active duty.

A student eligible for the tuition and fee freeze may transfer from one state institution of higher education to another state institution of higher education one time with such student's tuition and fees calculated at the institution to which the student transfers as if the student had been in attendance at that institution before the mobilization that resulted in the student's tuition and fee freeze at the initial institution.

### C. Accounting Treatment

1. A revenue account for Maintenance Fees is used to record both the revenue assessed and refunds made.
2. As provided in GASB Statements 34 and 35, summer school revenues and expenditures must be accrued at fiscal year-end. Summer school activity will not be allocated to only one fiscal year.
3. In some cases full fees are not assessed to students. These occur when statutes establish separate rates for such groups as the disabled, elderly, and military dependents. The difference between normal fees and special fees is not assessed. Fees not assessed in these cases do not represent revenue. For administrative purposes the fees may be calculated and credited to revenue, then written off against a contra revenue account.
4. Agreements/contracts may be executed with a third party (federal agency, corporation, institution, etc.), but not with the individual student, to deliver routine courses at a fixed rate or for the cost of delivering the course and may provide for fees not to be charged to individual students. Individual student fees will be assessed as usual and charged to the functional category Scholarships and Fellowships. The amount charged to or paid by the third party is credited to the appropriate Grants and Contracts revenue account.
5. In some cases a non-credit course provides an option to grant regular credit. If a separate (or additional) fee is collected because of the credit, that amount is reported as Maintenance Fee revenue.
6. Full-time employees of the Tennessee Board of Regents and the University of Tennessee systems may enroll in one course per term at any public postsecondary institution, with fees waived for the employee. No tuition paying student shall be denied enrollment in a course because of enrollment of TBR and UT employees. Spouses and dependents of employees of the Tennessee Board of Regents system may be eligible for a student fee discount for undergraduate courses at Tennessee Board of Regents institutions (including technology centers) and the University of Tennessee.

Tennessee Board of Regents institutions exchange funds for tuition fees of employees' spouses and dependents who participate in a Tennessee Board of Regents educational assistance program. Effective Fall term 1990, the charging and exchanging of funds for maintenance fee discounts between Tennessee Board of Regents institutions and the University of Tennessee shall begin. To the extent they are not reimbursed by the State, fee waivers for full-time State employees and fee discounts to children of certified public school teachers shall be accounted for as a scholarship.

### III. Out-of-State Tuition

#### A. Description of Fee

1. This is an additional fee charged to students classified as non-residents who are enrolled for credit courses, including audit courses. This fee is in addition to the maintenance fee.
2. Out-of-state tuition fee rates are established by the Tennessee Board of Regents and are incorporated in the annual fee schedule.
3. A separate hourly rate for out-of-state tuition will be set for undergraduate and and graduate students. While the per hour rate for graduate students will be higher, the rates will be set so that a full-time graduate student and a full-time undergraduate student will pay approximately the same amount for out-of-state tuition. A full-time student is defined as enrolled in 12 hours undergraduate or 10 hours graduate.
4. Applicability of out-of-state tuition is determined pursuant to Tennessee Board of Regents Policy on Regulations for Students In-State and Out-of-State for the Purpose of Paying College or University Fees and Tuition and for Admission Purposes (No. 3:05:01:00). The business office will collect fees based upon student classification as determined by the appropriate authority within the institution.

#### B. Accounting Treatment

1. A revenue account for out-of-state tuition is used for recording both credits for fees and debits for refunds.
2. Other accounting is the same for out-of-state tuition as that outlined under Maintenance Fees except that separate out-of-state accounts are used. In the case of fees not collected from students under grants and contracts, the same expense account under Scholarships and Fellowships may be used.

#### **IV. Debt Service Fees**

- A. The amount of debt service fees will be approved by the Tennessee Board of Regents. Separate rates are recommended by each institution based on requirements of the institution.
- B. For simplicity of administration and communication, institutions may combine debt service with maintenance fees in quoting fee rates, in fee billings and charges, and in making refunds.
- C. Revenue from debt service fees will be recorded in the unrestricted current fund and then transferred to the retirement of indebtedness fund as either a mandatory transfer or a non-mandatory transfer. The portion of debt service fee revenue used for current-year debt service will be reported as a mandatory transfer. Any additional debt service fee revenue will be transferred to the retirement of indebtedness fund as a non-mandatory transfer.

#### **V. Student Fees**

A. A student government activity fee may be established pursuant to T.C.A. § 49-8-109. Any increase in this fee shall be subject to a referendum for student body approval or rejection. The fee will be administered in accordance with the provisions adopted by each institution. These fees will be restricted current funds additions. These fees are refundable on the same basis as maintenance fees or as established by the institution.

B. Student activity fees (other than student government activity fees) will be approved by the Tennessee Board of Regents. Such fees may be recommended by each institution based on services to be provided which are related to the activity fee. These fees will be unrestricted current funds revenues. These fees are refundable on the same basis as maintenance fees or as established by the institution.

## VI. Technology Access Fees

(A) A fee shall be levied by each institution for the purpose of providing student access to computing and similar technologies. It is refundable on the same basis as maintenance fees or as established by the institutions. Institutions shall establish expenditure accounts and designated revenue accounts for purposes of recording technology access fees and expenditures.

### (B) Use

(1) Technology Access Fees (TAF) are composed of two pools. Pool 1 represents the TAF prior to FY 1997-98 when it did not exceed \$30 annually. Pool 2 represents the difference between the current TAF rate and the pre-1997-98 TAF rate. Items (2) and (3) below shall apply to use of Pool 2 TAF funds.

(2) The TAF should be used by TBR institutions for direct student benefit, for items such as new and improved high technology laboratories and classrooms, appropriate network and software, computer and other equipment, and technological improvements that enhance instruction. Use of Pool 2 TAF is limited to the following items:

- Computers and other technical laboratory supplies, equipment, software and maintenance.
- Network costs (WWW, internet, interactive video, etc.)
- "Smart" or multi-media classroom equipment and classroom modifications
- Lab and course staffing – student and staff assistance for lab and classroom uses; universities are limited to a 12% maximum (Pool 2 current-year TAF revenues) and student employees only; community colleges are limited to 25% maximum (Pool 2 current-year TAF revenues) for student or staff employees.
- Renewal and replacement reserves as necessary.
- New machines for faculty use when faculty are actively engaged in developing and conducting on-line courses.
- Faculty and staff development directly related to the introduction or application of new technology which impacts students. These guidelines should have the flexibility to place instructional technology in a faculty lab where course materials are being prepared. For example, TAF funds can be used to create faculty labs to include the purchase of computers and to conduct faculty training and course development. (Travel costs for faculty and staff are excluded; however, consultants may be hired as needed for training.)
- Infrastructure (wiring, network, servers, etc.) necessary to provide students maximum computing capability. A ceiling is established of 50% of the total project costs from which technology access fees can be used.
- Expand technology resources in library, i.e., video piped anywhere on campus, interactive video room for distance education, network for web video courses.

(3) Effective July 1, 2005, institutions may use Technology Access Fee (TAF) revenues for the purpose of supporting the financing of the implementation of the Banner Enterprise Resource Planning (ERP) project including subsequent software and hardware upgrades. Use of TAF funds for this purpose is limited to a maximum of 25% of the annual revenue collected at universities, community colleges and technology centers. Use of TAF fees for the ERP project must be disclosed and justified in the annual spending plan

which requires approval by the Board. The provision for use of TAF fees for this special purpose is repealed for fiscal years beginning on or after July 1, 2010.

(4) As part of the July budget process, each institution shall prepare a detailed spending plan for the use of funds generated by the TAF. Prior to submission of July budgets, the Chancellor or his designee shall randomly select 25% of universities/colleges and 25% of technology centers for review of TAF spending plans. Each institution selected shall submit their TAF spending plan as part of their July budget. These spending plans shall be reviewed by the Chancellor or his designee for compliance with TAF use guidelines and Board policy. A report of this review shall be filed with the Board.

(5) The spending plan will be maintained by the institution and will be updated throughout the year as needed. At the end of the fiscal year, a summary of the actual money generated and actual use of the money shall be prepared and maintained by the institution.

(6) Compliance with these guidelines will be audited by the internal audit staff and reported to the Board as determined by the internal auditor's annual risk-based planning process or other appropriate means.

#### ~~VI.~~ VII. Specialized Academic Fees

Certain academic programs require expensive maintenance/updating of equipment and software and the employment of highly qualified staff. The high costs of instruction for these programs can be offset by establishing specialized academic fees, with the Board's approval. To receive approval for a specialized academic fee, a program will be required to meet criteria A, High Cost of Instruction as defined below. Additionally, the program should document meeting criteria B-G, as applicable.

A. High Cost of Instruction. Programs qualifying for charging specialized academic fees must demonstrate that they are more costly than other programs offered by the institution. If appropriate, the extraordinary cost of the program must be validated including benchmarking with similar programs in the region and nation.

B. High Demand. The number of students enrolled in the program and the student credit hours generated are sufficient to justify additional fees.

C. High Cost of Updating/Maintaining Equipment and Software. Programs qualifying for charging specialized academic fees are expected to be those that require extensive maintenance and regular updating of equipment and/or software, all of which are very expensive. An average hardware/software cost per student credit hour serves as the basis for determining the amount of the fee.

D. Accreditation. Meeting standards of specific accrediting agencies may also qualify a specialized program for charging specialized academic fees. The accrediting standards that justify a fee are those that specify the possession and use of certain equipment and unique software that are extraordinarily costly and/or the employment of faculty with specific credentials that demand high salaries.



E. High Recognition and Quality. The programs approved for specialized academic fees are expected to be distinctive and with a regional or national reputation. The program must demonstrate that it has achieved exceptional recognition in its particular enterprise.

F. High Value to Tennessee. The program must demonstrate that it is a good investment for the State of Tennessee to justify charging extra fees to the student. The program should be distinctive and not one duplicated in other TBR institutions and should be of integral value to Tennessee. The graduates' earning potential and the associated benefit to the state economy should be projected, as well as the efforts taken by the institution to aid graduates in finding appropriate employment in Tennessee.

G. Impact on Affected Students. Through surveys, questionnaires, or other suitable means, the program must demonstrate that the charging of additional fees will not diminish enrollment. The program should demonstrate that enrolled students realize that the potential earning power in the work force justifies their additional investment.

Institution must submit documentation of the above applicable criteria when requesting approval of a specialized academic fee.

#### **~~VII~~. VIII. Miscellaneous Course Fees**

All miscellaneous fees must be approved by TBR. Fees for courses requiring special off-campus facilities or services do not require Board approval but should reflect the cost of the facilities or services.

#### **~~VIII~~. IX. Incidental Fees and Charges**

##### A. Uniform Rates and Policies

###### Institutions

The following fees will be uniformly charged (or, if applicable, to the extent that they remain within the set range) at all institutions both as to the amount and condition of assessment. Charges are subject to approval by the Tennessee Board of Regents.

1. Application Fee: Undergraduate - Not less than \$5.00 nor more than \$25.00. Graduate - Not less than \$5.00 nor more than \$35.00. ETSU College of Medicine and College of Pharmacy – Not less than \$50 or more than \$100. This is a non-refundable fee paid by an individual who applies for admission to the institution. A student is required to pay this fee when he/she applies for admission as a graduate student even if the student attended a TBR institution as an undergraduate student. Additionally, the student is required to pay this fee when he/she applies for admission to a doctoral-level program after receiving a masters-level degree from the institution.

2. Graduation Fee: This fee shall be assessed according to degree level as follows and shall include the cost of the diploma and rental of academic regalia:

Associate Degree	\$25.00
Baccalaureate	30.00
Master and Specialist	35.00
Doctor and Juris Doctor	45.00

The fee is refundable only if the institution has incurred no costs on the student's behalf. Other items may be included in the fee, as determined by the institution. Additional fees may be charged for optional graduation-related activities or services.

3. Late Exam Fee: None

Institutions and Technology Centers

4. Returned Check Fee: \$30.00 per check - nonrefundable. All institutions will charge a returned check fee that is the maximum set by state law. This fee will apply to all returned checks received by the institution, whether from students, faculty, staff, or other parties. The Board will review state statutes each spring to determine any changes.

Technology Centers

Each technology center will assess a nonrefundable fee for individual instructional projects pursuant to a schedule approved by the Tennessee Board of Regents.

B. Other Fees and Charges Subject to Board Approval

Institutions

The following fees may be assessed by all institutions. Specific rate recommendations will be developed separately by each institution for approval by the Tennessee Board of Regents. In review of the recommendations, the Board staff will consider the consistency of fees for comparable services among institutions.

1. Motor Vehicle Registration - nonrefundable. A fee may be levied by each institution per academic year, per fiscal year and/or per academic term for motor vehicle registration, and such fee shall be applicable to each student, faculty and staff member.

2. Campus Access Fee - At institutions where registration of specific vehicles is not necessary and where traffic control is not a significant concern, a campus access fee may be assessed in lieu of a motor vehicle registration fee. It is refundable on the same basis as maintenance fees or as established by the institution.

3. Post Office Box and/or Postal Service Fee - nonrefundable. There may be a charge for the U.S. Post Office box or for any special arrangements for delivery of U.S. mail and it will be applicable to any person who has a U.S. Post Office box or who has made special arrangements through which regular U.S. mail may be received.

4. Traffic Fines - nonrefundable. These fines will apply to all employees and students.

5. Applied Music Fees. This fee is charged for private music lessons or small group training sessions. It is refundable on the same basis as maintenance fees or as established by the institution.

6. Late Registration Fee. A late registration fee up to \$100 will be charged during the entire period of late registration. The effective date of the fee will be determined by each institution.

7. Facilities Fee. This fee will be used to improve facilities and fund expenditures such as replacing carpets in student lounges, remodeling classrooms, etc. The fee would not be used for routine maintenance or new construction, but would be used to make improvements to areas that have an impact on students. The intended projects will be disclosed during the normal budget cycles. The fee is refundable on the same basis as maintenance fees.

#### Institutions and Technology Centers

~~1. (A) Technology Access Fee—A fee shall be levied by each institution for the purpose of providing student access to computing and similar technologies. It is refundable on the same basis as maintenance fees or as established by the institutions.~~

~~(B) A detailed spending plan of the funding generated by the access fee shall be submitted during the July budget process for approval by the Chancellor or his designee. Revisions to approved spending plans that expand existing projects or add new projects must be approved by the Chancellor or the Chancellor's designee. At the end of the fiscal year, a summary of the actual money generated and actual use of the money shall be submitted during the financial statement process for review by the Chancellor or his designee.~~

~~(C) In both the spending plan and the actual expenditure of the technology access fee as indicated in (B) above, institutions shall report designated expenditure accounts and designated revenue accounts for purposes of recording technology access fees and expenditures.~~

2. Transcript Fee. There will be no charge for transcripts; however, institutions and technology centers shall set a limit on a reasonable number of copies at any one time and may establish a nonrefundable charge for the cost of copying transcripts in excess of that number.

#### C. Fees and Charges to be Established and Administered by the Institution

The following fees and charges may be established and administered by each institution. No specific approval or notification to the Tennessee Board of Regents will be required unless subject to other Board or State requirements.

The institution or technology center will establish appropriate refund policies. Technology center fees and charges in this category must be approved by the Vice Chancellor for Technology Centers.

1. Sales of goods and services of a commercial nature, including bookstores, food services, vending, laundry and similar activities.
2. Rental of non-student housing and facilities.
3. Admissions fees to athletic and other events open to the public, including special events sponsored by campus organizations and activities.
4. Sales and services of educational activities such as clinical services, publications, etc.
5. Registration for conferences, institutes, and non-credit activities (see X.D.).
6. Fees for use of campus facilities for recreational purposes.
7. Parking permits and parking meters for use by guests and visitors.
8. Technology centers may assess a fee for specific school instructional projects to defray incidental costs incurred by the technology center in performing the project.
9. Nonrefundable library fines, which will apply to students, faculty, staff, and other library users.
10. Thesis and dissertation fee - nonrefundable. The fee will be determined based upon cost to the institution.
11. Child Care Fees - Kindergarten, Preschool, Early Childhood, Day Care, or similarly defined activities. The refund policy will be established by the institution.
12. Special Exam Fee - nonrefundable. The fee will be determined based upon cost to the institution.
13. Standardized Test Fees - nonrefundable. The fee will be determined based upon the cost for administering the tests.
14. Identification Card Replacement - nonrefundable. There will be no charge for the original identification card. A fee may be set by each institution to offset the cost of replacing the card. This fee applies only to student ID cards and not to faculty and staff ID's.
15. Change of Course or Section Fee - nonrefundable. If the change is caused by the institution, there will be no charge for the change. If two or more forms are used at one time, they will be treated as one change/form. Institutions may waive the fee for schedule changes.

## ~~IX~~ X. Deposits

A. Breakage deposits may be recommended by the institution for Board approval for courses in which it can be shown that there is a reasonable chance of loss or damage to items issued to students. The amount of the deposit should be related to the materials issued and subject to a 100% refund.

B. A deposit may be established by the institution for rent or lease of buildings and facilities or for the issuance of other institutional property or equipment. Deposits should be subject to a 100% refund if no damage or loss occurs. The amount of such deposits should be related to the value of the facilities or equipment subject to loss and the general ability of the institution to secure reimbursement should loss or damage occur.

C. Pursuant to Tennessee Board of Regents Policy on Student Residence Regulations and Agreements (No. 3:03:01:00), each institution is authorized to require a security deposit for residence hall facilities which may be forfeited by the student for failure to enter into a residence agreement or non-compliance with applicable agreement terms.

## ~~X~~ XI. Student Residence Hall and Apartments

All regular and special rental rates for student dormitories and student apartments will be approved by the Tennessee Board of Regents upon the recommendation of the institution. A \$5.00 late payment fee shall be assessed. Each institution may recommend special rates for non-student groups during summer periods, etc.

Pursuant to Tennessee Board of Regents Policies on Student Resident Regulations and Agreements (No. 3:03:01:00) and Payment of Student Fees and Enrollment of Students (No. 4:01:03:00), rental for student dormitory or residence hall units shall be payable in full in advance of the beginning of a term. However, each institution shall offer an optional payment plan under which a prorated amount of the rental shall be payable monthly in advance during the term. Specific provisions for the payment plan must comply with those cited in Policy No. 3:03:01:00. A monthly service charge and a late payment charge may be assessed. Residence Hall students can participate in either the deferred payment plan (Guideline B-070) or the optional monthly housing payment plan. Each institution has the option of allowing students to participate in both the deferred payment plan and the optional monthly housing payment plan.

## ~~XI~~ XII. Other Fee and Charge Considerations

Institutions and technology centers may submit for Board of Regents approval fees and charges not specifically covered by those guidelines when the establishment of a fee or charge is justified by the institution.

A. Fees may be established to control the utilization of facilities and services or to offset the cost of extraordinary requirements as a result of specific programs or activities. [Reference Tennessee Board of Regents Policy on Use of Campus Property and Facilities (No. 3:02:02:00).]

B. When fees and charges are incorporated in agreements with outside contractors and vendors, specific rates, refunds and conditions must be clearly stated.

C. Fees for auxiliary services must take into consideration that Auxiliary Enterprises should be a break-even operation with rates and charges generating revenue sufficient to cover all expenses as defined in operating budget guidelines.

D. Fees established for non-credit courses and activities shall be sufficient to cover the total costs incurred in providing instruction plus a minimum of 25% of the annual instructional salary costs including contractual salary costs or personal services contracts.

E. Students enrolled for six or more hours are eligible for full-time privileges, i.e., access to social, athletic, and cultural functions, pursuant to T.C.A. § 49-8-109.

### **~~XII~~. XIII. Refunds and Fee Adjustments**

Adjustments to all fees and charges must be in accordance with the following provisions except as previously stated, or when required by federal law or regulation to be otherwise.

Pursuant to T.C.A. § 49-7-2301 and 49-7-2302, students called to active military or National Guard service during the semester are entitled to a 100% adjustment or credit of mandatory fees. Housing and meal ticket charges may be prorated based on usage.

#### A. Maintenance Fee Refunds and Adjustments

1. Refunds are 100% for courses canceled by the institution.
2. Changes in courses involving the adding and dropping of equal numbers of SCH's for the same term at the same time require no refund or assessment of additional maintenance fees. The change of course fee would be applicable.
3. The fee adjustment for withdrawals or drops during regular terms (fall and spring) is 75% from the first day of classes through the fourteenth calendar day of classes and then reduced to 25% for a period of time which extends 25% of the length of the term. When the first day of the academic term falls on a Saturday, the 100% refund period is extended through the weekend until the following Monday morning (12:01 am). There is no fee adjustment after the 25% period ends. Dropping or withdrawing from classes during either the 75% or the 25% fee adjustment period will result in a fee adjustment of assessed maintenance fees based on the total credit hours of the final student enrollment.
4. For summer sessions and other short terms, the 75% fee adjustment period and the 25% fee adjustment period will extend a length of time which is the same proportion of the term as the 75% and 25% periods are of the regular terms.

5. All fee adjustment periods will be rounded to whole days and the date on which each fee adjustment period ends will be included in publications. In calculating the 75% period for other than the fall and spring and in calculating the 25% length of term in all cases, the number of calendar days during the term will be considered. When the calculation produces a fractional day, rounding will be up or down to the nearest whole day.

6. A full refund (100%) is provided on behalf of a student whose death occurs during the term. Any indebtedness should be offset against the refund.

7. A 100% refund will be provided for students who enroll under an advance registration system but who drop a course or courses prior to the beginning of the first day of class.

8. A 100% refund will be provided to students who are compelled by the institution to withdraw when it is determined that through institutional error they were academically ineligible for enrollment or were not properly admitted to enroll for the course(s) being dropped. An appropriate official must certify in writing that this provision is applicable in each case.

9. When courses are included in a regular term's registration process for administrative convenience, but the course does not begin until later in the term, the 75%/25% fee adjustment periods will be based on the particular course's beginning and ending dates. This provision does not apply to classes during the fall or spring terms which may meet only once per week. Those courses will follow the same refund dates as other regular courses for the term.

10. The fee adjustment is calculated as the difference between (1) the per credit hour cost of originally enrolled hours and (2) the per credit hour cost of the courses at final enrollment after adjustments have been applied for all courses dropped. Adjustments are calculated at the full per credit hour rate less the fee adjustment credit at the applicable fee adjustment percentage (regardless of the original number of hours enrolled). Not all drops/withdrawals will result in a fee adjustments

#### B. Out-of-State Tuition Refunds and Fee Adjustments

The fee adjustment provision for out-of-state tuition is the same as that for maintenance fees. The 75% fee adjustment period and the 25% fee adjustment period will follow the same dates as the fee adjustment periods for maintenance fees. When 100% of maintenance fees are refunded, 100% of out-of-state tuition also is refunded. Calculation procedures are the same as those specified for maintenance fees.

#### C. Debt Service Fee Refunds

Debt service fees will be subject to the same refund policy as maintenance fees.

#### D. Student Residence Hall/Apartment Rent and Deposit Refunds

1. Refund of residence hall rent after registration will be prorated on a weekly calendar basis when the student is forced to withdraw from the residence hall: (1) because of personal medical reasons confirmed in writing by a licensed

physician, or (2) at the request of the institution for other than disciplinary reasons. Full refund will be made in the case of the death of the student. Withdrawals for other reasons will be subject to the same 75%/25% amounts and time periods as maintenance fees. No refund will be made other than under the above conditions.

2. Residence hall reservations and breakage deposits will be refunded in full if: (1) the institution is notified by a specific date which it establishes, but which may not be later than 14 calendar days prior to the first official day of registration, (2) the student is prevented from entering the university because of medical reasons confirmed in writing by a licensed physician, or (3) residence hall space is not available. Full refund also will be made in the case of the death of the student.

#### E. Meal Plan Refunds

Each institution with meal plans should develop appropriate refund procedures.

Source: December 2, 1977 TBR meeting. Revised March 14, 1980 TBR meeting; November 13, 1991 presidents meeting; November 8, 1982 presidents meeting; July 1, 1984; November 1, 1988; May 15, 1990 presidents meeting; August 14, 1990 presidents meeting; November 10, 1992 presidents meeting; August 10, 1993 presidents meeting; November 9, 1993 presidents meeting; August 9, 1994 presidents meeting; May 8, 1995 presidents meeting, August 8, 1995 presidents meeting, November 8, 1995 presidents meeting, February 6, 1996 presidents meeting, May 14, 1996 presidents meeting, November 12, 1996 presidents meeting, May 6, 1997 presidents meeting, July 16, 1997 called Board meeting, November 5, 1997 presidents meeting, February 17, 1998 presidents meeting via conference call, August 25, 1998 presidents meeting, May 9, 2000 presidents meeting, August 8, 2000 presidents meeting, November 8, 2000 presidents meeting, February 13, 2001 presidents meeting, August 21, 2001 presidents meeting, May 21, 2002 presidents meeting, February 11, 2003 presidents meeting, May 20, 2003 presidents meeting, February 10, 2004 presidents meeting, August 17, 2004 presidents meeting, February 8, 2005 presidents meeting, May 17, 2005 presidents meeting, February 8, 2006 presidents meeting, May 16, 2006 presidents meeting, August 16, 2006 presidents meeting, May 15, 2007 presidents meeting, August 21, 2007 presidents meeting, November 6, 2007 presidents meeting, February 17, 2009 presidents meeting; May 12, 2009 presidents meeting; August 11, 2009 presidents meeting.



**POLICY: 4:01:05:00**

**SUBJECT: Internal Audit**

### Internal Auditing

The Institute of Internal Auditors, International Professional Practices Framework states that:

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### **General Statement**

The internal audit function contributes to the effectiveness of risk management, controls, and governance processes that management is responsible for establishing and maintaining. While particular responsibilities and activities vary among institutions, the fundamental purpose of internal auditing is to provide an independent, objective assurance and consulting activity designed to add value and improve the institution's operations. Each internal audit function shall adhere to The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and *Code of Ethics*. This policy addresses staffing, responsibilities of the internal audit function, ~~and~~ audit planning and reporting on internal audit activities. In addition to this policy, the Office of System-wide Internal Audit maintains an audit manual. The purpose of the audit manual is to provide for consistency, continuity, and standards of acceptable performance.

### **Internal Audit Personnel**

1. Each university shall employ at least two individuals with full-time responsibility as internal auditors. Additional internal audit staff shall depend upon institutional size and structure. Two-year institutions shall employ at least one full-time internal auditor or have an approved agreement with a university or other two-year institution to provide required audit services. Titles of internal audit staff shall be consistent within the overall institutional structure.
2. Internal audit staff ~~must shall~~ possess the professional credentials, knowledge, skills, and other competencies needed to perform their individual and experience requisite to position responsibilities. The internal audit function collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities. The campus Internal Audit Director and the Director of System-wide Internal Audit must be licensed as a Certified Public Accountant or a Certified Internal Auditor, maintain an active license and annually complete sufficient, relevant continuing professional education to satisfy the requirements for the professional certification held. Other system auditors should annually complete sufficient, relevant continuing professional education to satisfy the requirements for their related professional certification or, at a minimum, forty hours of relevant continuing professional education.
3. The appointment of campus Internal Audit Directors as recommended by the President is subject to approval by the Chancellor or designee (TCA 49-14-106). The appointment of the Director of System-wide Internal Audit is subject to review and approval by the Audit Committee of the Board of Regents (TCA 49-14-102).
4. Compensation of campus internal auditors is subject to review by the Audit Committee of the Board of Regents. Compensation of the Director of System-wide Internal Audit and the central office internal auditors is subject to review and approval by the Audit Committee of the Board of Regents.
5. The termination or change of status of campus Internal Audit Directors (TCA 49-14-106) requires the prior approval of the Chancellor and the Audit Committee of the Board of Regents. The termination or change of status of the Director of System-wide Internal Audit (TCA 49-14-102) or central office internal auditors requires the prior approval of the Audit Committee of the Board of Regents.

### **Internal Audit Role and Scope**

~~1. 1.~~ In accordance with T.C.A. § 49-14-102, the Director of System-wide Internal Audit reports directly to the Audit Committee and the Tennessee Board of Regents. Campus internal auditors report to the respective campus President with audit reporting responsibility to the Audit Committee and the Board through the Director of System-wide Internal Audit. ~~This reporting structure assures the independence of the internal audit function.~~

~~2.~~ TBR hosts periodic meetings and communicates with the audit directors on matters of mutual interests.

~~3.~~

~~4.~~ The Office of System-wide Internal Audit maintains an internal audit manual to guide the internal audit activity in a consistent and professional manner at each institution. ~~This reporting structure assures the independence of the internal audit function.~~

~~2.4. 2.~~ The internal auditors' responsibilities include:

- a. Working with management to assess institutional risks and developing an audit plan that considers the results of the risk assessment.
- b. Evaluating institutional controls to determine their effectiveness and efficiency.
- c. Coordinating work with external auditors, program reviewers, and consultants.
- d. Determining the level of compliance with internal policies and procedures, state and federal laws, and government regulations.
- e. Testing the timeliness, reliability, and usefulness of institutional records and reports.
- f. Recommending improvements to controls, operations, and risk mitigation resolutions.
- g. Assisting the institution with its strategic planning process to include a complete cycle of review of goals and values.
- h. Evaluating program performance.
- i. Performing management advisory services and special requests as directed by the Audit Committee, the Chancellor, or the institution's President.

~~35.~~ The scope of internal auditing extends to all aspects of institutional operations and beyond fiscal boundaries. The internal auditor shall have access to all records, personnel, and physical properties relative to the performance of duties and responsibilities.

~~64.~~ The scope of a particular internal audit activity may be as broad or as restricted as required to meet management needs.

~~57.~~ Objectivity is essential to the internal audit function. Therefore, internal audit personnel should not be involved in the development and installation of systems and procedures, preparation of records, or any other activities that the internal audit staff may review or appraise. However, internal audit personnel may be consulted on the adequacy of controls incorporated into new systems and procedures or on revisions to existing systems.

~~86.~~ Management is responsible for identifying, evaluating, and responding to potential risks that may impact the achievement of the institution's objectives. ~~The a~~Auditors continually evaluate the risk management, ~~processes and~~ internal control, ~~and governance processes-structures.~~ ~~To facilitate these responsibilities,~~ Internal Audit will receive ~~notices~~copies of external audit reviews, program reviews, fiscally related consulting reports, ~~notices of~~ cash shortages, physical property losses, and employee misconduct. ~~These will be considered in the evaluation of risks.~~

## Audit Plans

1. Internal Audit shall develop an annual audit plan using an approved risk assessment methodology.

2. ~~Audit areas and respective audit programs are available in the TBR Audit Manual for guidance in these areas.~~
32. At the beginning of each fiscal year, after consultation with the Chancellor or President and other institution management, the Internal Audit Director will prepare an annual plan listing proposed areas to be audited. The audit work plan must be flexible to respond to immediate requests. The President will submit two copies of the institution's Audit Plan for review by the Director of System-wide Internal Audit and the Audit Committee. The Director of System-wide Internal Audit will forward one copy to the State Comptroller's Office.
3. The status of the past year's plan will also be prepared in an annual activity report that may include other significant audit services. ~~The President~~The annual activity report will ~~be~~ submitted two copies of the institution's Audit Plan for review by the Director of System-wide Internal Audit and the Audit Committee. The Director of System-wide Internal Audit will forward one copy to the State Comptroller's Office.
43. The Director of System-wide Internal Audit will prepare an annual system-wide internal audit plan for approval by the Audit Committee. ~~r~~

### **Audit Reports**

1. Each routine internal audit should result in a written report that documents the objectives, scope, ~~and~~ conclusions, and recommendations of the audit. Management will include corrective action for each reported finding. Reports on special studies, consulting services, and other non-routine items should be prepared as appropriate, given the nature of the assignment.
2. The Chancellor or institution's President will be notified at the conclusion of a follow-up audit if management has not corrected the reported finding.
3. All internal audit reports will be signed by the institution's Internal Audit Director and transmitted directly to the Chancellor, President, or TTC Director in a timely manner.
4. The President or TTC Director will transmit two copies of the internal audit report to the Director of System-wide Internal Audit. The Director of System-wide Internal Audit will forward one copy of each report to the State Comptroller's Office.
5. The Director of System-wide Internal Audit will ~~provide monthly summaries to the Audit Committee and~~ present results of internal audit reports to the Audit Committee quarterly.

### **Exceptions**

Any exceptions to the policy established herein shall be subject to the approval of the Director of System-wide Internal Audit and the Audit Committee.

Source: June 3, 1981 TBR Presidents' Meeting; July 1, 1984; May 20, 1986; February 14, 1989; November 14, 1989; August 13, 2002; February 10, 2004; November 18, 2004; June 29, 2007; December 6, 2007.

## **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.

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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 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**

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

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

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

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

\$39.00	\$29.25
\$44.00	\$33.00
<b>\$46.00</b>	<b>\$34.50</b>
\$49.00	\$36.75
<b>\$51.00</b>	<b>\$38.25</b>
\$54.00	\$40.50
<b>\$56.00</b>	<b>\$42.00</b>
\$59.00	\$44.25
<b>\$61.00</b>	<b>\$45.75</b>
\$64.00	\$48.00
<b>\$66.00</b>	<b>\$49.50</b>
<b>\$71.00</b>	<b>\$53.25</b>

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	39 <b>\$46</b>	44 <b>\$51</b>	49 <b>\$56</b>	54 <b>\$61</b>	59 <b>\$66</b>	64 <b>\$71</b>
Breakfast	7	8	9	10	11	12

Lunch	811	12	13	15	16	18
Dinner	2023	2126	2429	2631	2934	3136
Incidentals	35	35	35	35	35	35

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 19, 2009.

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, ~~2008~~ 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 \$ 8.00 per day receipt

Fees for handling of equipment \$ 20.00 per hotel  
or promotional materials

**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	<del>\$117.00</del> <b>\$119.00</b> + tax	<del>\$54.00</del> <b>\$66.00</b>

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	<del>\$101.00</del> <b>\$102.00</b> + tax	<del>\$39.00</del> <b>\$46.00</b>

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	<del>\$39.00</del> <b>\$46.00</b>



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 <del>\$64.00</del> <b>\$71.00</b>

(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	<del>\$122.00</del> <b>\$124.00</b> + tax	<del>\$54.00</del> <b>\$66.00</b>

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	<del>\$106.00</del> <b>\$107.00</b> + tax	<del>\$39.00</del> <b>\$46.00</b>

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	<del>\$39.00</del> <b>\$46.00</b>

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	<del>\$137.00</del> <b>\$139.00</b> + tax	<del>\$54.00</del> <b>\$66.00</b>

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	<del>\$121.00</del> <b>\$122.00</b> + tax	<del>\$39.00</del> <b>\$46.00</b>

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	<del>\$39.00</del> <b>\$46.00</b>

All other counties and cities not listed above.