



A G E N D A

PRESIDENTS MEETING

Tuesday, August 21, 2007 – 9:00 A.M. (CT)

TBR Board Room

1. Review of Legislative Compilation with Impact Assessments (Vice Chancellor Gregory) – See Attachment
2. TnCIS/International Education (Dr. Milton Grimes)
3. Update on Status of International Studies Financing Policies and Procedures Task Force (Vice Chancellor Adams) – See Attachment
4. Proposed Policy on Minimizing the Cost of Textbooks (Vice Chancellor Short) – See Attachment
5. Discussion of Safety and Security Issue (Vice Chancellor Adams) – See Attachment
6. Statement on Auditing Standards Number 112, *Communicating Internal Control Related Matters Identified in an Audit* (Tammy Gourley) – See Attachment
7. Student Fees (Vice Chancellor Adams)
8. Banner Modification Assessment (Tom Danford) – See Attachment
9. Allocation for Banner Advancement Module (Vice Chancellor Adams) – See Attachment

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10. Proposed Revisions to Policies and Guidelines Under Business Affairs (Vice Chancellor Adams) – See Attachments under Business and Finance Policy and Guideline Revisions
 - Policy 4:02:10:00 – Purchasing Policies and Procedures
 - Policy 4:04:01:50 – Revenues from Campus Concessions
 - Policy 4:05:01:00 – Inventory Method for TBR Libraries
 - Policy 4:06:00:00 – Expenditure of State Funds for Paid Advertising
 - Policy 4:07:00:00 – Business Meals and Recognition Events
 - Guideline B-060 – Fees, Charges and Refunds
 - Guideline B-062 – Other Educational Assistance Programs
 - Guideline G-110 – Lead Institutions
11. Proposed Revision to TBR Policy 5:01:01:04 – Military Leave (Vice Chancellor Adams) – See Attachment under Human Resources
12. Proposed Revision to TBR Policy 5:01:01:14 - Family and Medical Leave (Vice Chancellor Adams) – See Attachment under Human Resources
13. Proposed Revision to TBR Guideline P-120 – Longevity Pay (Vice Chancellor Adams) – See Attachment under Human Resources
14. Proposed Revision to TBR Guideline B-061 – Education Assistance (State Employees and Dependents) (Vice Chancellor Adams) – See Attachment under Human Resources
15. Proposed Revision to TBR Guideline P-115 – Certified Professional Secretary (Vice Chancellor Adams) – See Attachment under Human Resources
16. Update on Salary Guidelines for 2007 (Vice Chancellor Adams) – See Attachment under Human Resources
17. Charitable Giving Campaign (Vice Chancellor Adams) – See Attachment under Human Resources
18. Implementation Calendar for People Admin for Campuses (Requires Purchase of Central Instance) (Vice Chancellor Adams) – See Attachment under Human Resources

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19. Sexual Harassment Training (Chris Modisher)

20. Board Meeting Structure (Chancellor Manning))

Reminder: Presidents will meet in the afternoon beginning at 1:00 p.m. (CT)
for a discussion of Banner – Next Steps

PRESIDENTS/DIRECTORS QUARTERLY

DATE: August 21, 2007 and August 22, 2007

AGENDA ITEM: Review of Legislative Compilation with Impact Assessments

ACTION: Information Item

PRESENTER: Vice Chancellor David Gregory

BACKGROUND INFORMATION: Review of recent legislation and its impact on the TBR system.

Attachment

2007 Legislation Compilation With Impact Assessments

Color Coding: ■ Opportunity

■ Informative

■ Program Action

■ Policy Action

Section / Description	PC #	Category	
I. ACADEMICS			
THEC to develop an Institute of Public Health	042	Opportunity	TBR to provide input into devising infrastructure
TN Technology Development Corporation	105	Opportunity	Higher Education as active partner
Insurance Producer Licensure prerequisites	228	Policy Action	Pertains to new and/or existing curricula
Student personal identification number	306	Policy Action	Devise new means of tracking incoming students
Teacher training accountability reports & evaluation	376	Informative	New report card process to evaluate teacher programs
Background Check required to enter teaching program	454	Policy Action	New process for screening incoming Education students
Establishment of articulation programs for dual credit	459	Program Action	Pilot Programs: new articulation programs w/LEA's
Minimizing the cost of college textbooks	504	Policy Action	New policies and monitoring requirements
Joint study committee for proprietary schools	542	Opportunity	TBR has two seats on committee
Continuation of study on solid waste disposal (TSU)	584	Program Action	TSU to take the lead role in study if given funding
Small Business Development & Retention Committee	596	Opportunity	Chancellor on TN Tomorrow, Inc. Board of Directors
II. BUSINESS			
College Savings – Baccalaureate Ed. Sys. Trust	021	Informative	Relative to tuition contracts
Chairs of Excellence endowment trust fund	040	Informative	Change in number of board members
Tuition Waivers for POW's/Deceased veterans	062	Policy Action	Expands qualifying groups for tuition waiver
Agricultural Resources Conservation Fund	079	Informative	Re: use of Ag. funds for grants and matching programs
Internet Access at State Colleges and Universities	100	Informative	Authorization to provide free wireless internet on-campus
Gifts to public institutions of higher education	113	Policy Action	Change in information disclosure options & policies
Best procurement method for government purchasing	147	Informative	Re: procurement processes for general services
Limitations of liability and warranty in contracts	169	Informative	Re: clarification of new allowances & limits in contracts
Increase in the paid military leave time	360	Policy Action	Re: increase from 15 to 20 days of allowable paid leave
Prohibits smoking in state-owned or leased vehicles	463	Policy Action	Expands current policy to include leased vehicles
Plans to use alternative fuels in state vehicles	489	Policy Action	Requires policy development and implementation
Tuition and fees charged to military reserves	506	Policy Action	Re: tuition freeze for reservists called to active duty
Energy efficient motor vehicles for state fleets	532	Policy Action	Revises the purchasing policy for state vehicles
Tuition and Fee waiver for state employees	554	Policy Action	Waiver to include tuition & fees for RODP courses

NOTE: All Public Chapter can be viewed at: <http://tennessee.gov/sos/acts/index.htm>

III. Facilities			
Electric Safety codes for electric supply stations	089	Informative	Updates 2001 edition of safety codes with 2006 edition
Escrow held on real property contracts	201	Informative	Re: criteria and payment of retainage on contracts
Non-Smoker Protection Act	410	Informative	Re: inspections and signage
Height restrictions for buildings near scenic highways	431	Informative	Re: zoning clarifications in Knoxville area
IV. Human Resources			
Title VI Implementation Plans	097	Policy Action	Re: changes in the reporting/implementing dates
Pension and Retirement benefits	184	Policy Action	Re: changes in options for higher educ. employees
Taxpayer ID number not proof of legal status	220	Informative	Clarifies that a taxpayer ID number is not valid ID
Training requirements for law enforcement officers	259	Policy Action	Re: additional training prerequisites
Increase in paid military leave time	360	Policy Action	Re: increase from 15 to 20 days of allowable paid leave
Insurance carrier liability disputes	378	Informative	Re: settlement of disputes relative to compensation
Group 1 retirement benefits amended	488	Informative	Re: retirement and supplemental bridge benefits
Group insurance plan for state employees	497	Informative	Re: coverage & payment of basic term life insurance
Salary advancements for administrative assistants	564	Policy Action	Revised pay incentives for additional training
V. Legal			
Updates the Lottery Charitable events requirements	018	Informative	Procedure for changing dates of annual charity events
Title VI Implementation Plans	097	Policy Action	Re: changes in the reporting/implementing dates
Property seizure by campus police officers	106	Policy Action	Re: revised policy and procedures for campus police
Gifts to public institutions of higher education	113	Policy Action	Change in information disclosure options & policies
Sex offender reporting requirements (campus police)	126	Informative	Re: offenders seeking employment or education in TN
Photographing/Recording of juveniles in some cases	134	Policy Action	Re: revised policy and procedures for campus police
Limitations of liability and warranty in contracts	169	Informative	Re: clarification of new allowances & limits in contracts
Use of American Indian symbols, images and names	371	Informative	Re: protections for uses of symbols, imagery and names
Flag placement protocol	394	Informative	Re: correct order of flag placement & penalties
Non-Smoker Protection Act	410	Policy Action	Re: restrictions, signage requirements & penalties
Personnel files of law enforcement officers	425	Policy Action	Re: information disclosure to public
Background check to enter teacher training programs	454	Policy Action	New process for screening incoming Education students
VI. Medical & Allied Health			
Licensure as an Audiologist to require doctoral degree	177	Informative	Standard altered from Masters requirement to Doctorate
Background checks for medical occupation licensure	182	Informative	Mandatory checks prior to licensure or certification
Revised qualifications for surgical technologists	208	Informative	Qualification exemptions for some technologists
Revised scope of practice for surgical technologists	252	Informative	Clarifies the scope of practice

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Uncompensated hospital care	281	Informative	Reporting of “bad debts” and customer indigence
Course requirement for Speech Pathologists	324	Informative	Mandatory 15-hr university course or approved program
Continuing education for dentists & dental hygienists	340	Informative	Revisions to continuing ed. course hours requirements
Radiology practitioner assistants – exemptions	393	Informative	Certification exemptions based on date of employment
Limits on hospital charges to self-pay patients	419	Informative	Limits charges to 175% of cost for services
Info. to be posted in healthcare facilities & offices	446	Informative	Signage indicating dating violence hotline information
Licensure of polysomnographic technologists	469	Informative	New statutes relative to education, licensure & practice
TN Nursing Home Visitor Program Act	530	Opportunity	New state funded program for elder care in nursing homes
VII. Technology Centers			
Revised qualifications for surgical technologists	208	Informative	Qualification exemptions for some technologists
Scope of practice for surgical technologists	252	Informative	Clarifies the scope of practice
Establishment of articulation programs for dual credit	459	Program Action	Pilot Programs: new articulation programs w/LEA’s
Joint study committee on proprietary schools	542	Opportunity	TBR has two seats on committee
VIII. PUBLIC FINANCE & APPROPRIATIONS			
Cigarette Tax Increase	368	Informative	
Bond Authorization	591	Informative	
General Appropriations Act - 2007	603	Various Items passed within the appropriations bill:	
		Washington Center internships (Program)	
		TSU Agricultural Extensions programs (Program)	
		K-4 Math Teacher Development program (TSU) (Program)	
		Lottery Award amounts (raised) (Policy)	
		Access & diversity initiatives (undefined) (Policy)	
		Community enhancement grants (Opportunity)	

NOTE: All Public Chapter can be viewed at: <http://tennessee.gov/sos/acts/index.htm>

PRESIDENTS QUARTERLY MEETING

DATE: August 13, 2007

AGENDA ITEM: Update on Status of International Studies Financing Policies and
Procedures Task Force and Review of Policy and Guideline
Revisions

ACTION: Approval

PRESENTER: Bob Adams

BACKGROUND INFORMATION: An update will be provided on the status of
the international studies financing policies and procedures task force and review of policy
and guideline revisions.

International Studies Financing Policies and Procedures Task Force

June 6, 2007

The International Studies Financing Policies and Procedures Task Force met at 10:00 am on June 6, 2007, in the TBR Board Room. The following members were in attendance: Bert Bach (ETSU); Milton Grimes (PSTCC); Ron Kesterson (PSTCC); Tom Nenon (UOM); Mike Posey (MSCC); Mitch Robinson (APSU); David Zettergren (UOM); Bob Adams and Renee Stewart (TBR).

The committee discussed the task force's charge. It was decided that the task force would limit itself to financial policies and would not address programmatic issues. It was additionally determined that while the Tennessee Consortium for International Studies would include all TBR campuses, international programs on individual campuses would still continue to exist.

The committee noted that the Tennessee Consortium for International Studies (TCIS) will administer study abroad programs only and will not include student exchange programs.

Establishing the Total Cost to Assess Student Participants

Mr. Grimes explained that he develops a budget for each study abroad trip that includes the cost of transportation, lodging, meals, travel incidentals, instructors, chaperones, course costs, etc. He uses this budget to develop a cost per student for participants. The cost per student includes an administrative fee for the home institution. Mr. Grimes explained that he did not include tuition costs in the cost per student calculation.

The committee discussed how the existing faculty pay policies for summer school and overload pay are hampering study abroad calculations. The committee recommended that study abroad programs, both consortium and campus-based, be given exemptions from the faculty pay policies for summer school and overload pay. Mr. Grimes recommended a flat rate of pay for consortium courses that would include \$2,000 for the instructor or director and \$3,000 for course development and other administrative duties. Additionally, campuses would have the authority to augment these flat rates to the extent they considered necessary. Dr. Adams recommended that the TBR policy not include the flat rate amounts; instead, the Executive Director of the TCIS will be given the authority to negotiate these rates.

Dr. Adams inquired how the mechanics of paying travel costs work. Mr. Grimes and Mr. Kesterson explained that as much as possible is prepaid before the trip, such as airfare, lodging costs, etc. The faculty member is issued a check, usually around \$25,000, for costs incurred during travel, such as meals, incidentals, etc. The faculty member is required to retain receipts for expenditures made from the \$25,000.

A committee member inquired about student health insurance. Mr. Grimes responded that all participants (students and faculty) must prove that they have health insurance prior to traveling. PSTCC has purchased a \$25 international student ID card for study abroad students that includes repatriation insurance.

The committee briefly discussed the issue of accreditation. The TCIS is responsible for determining that academic credentials exist for the instructor of record.

The committee discussed who will issue grades – TCIS or the home institution? The consortium will follow the RODP model in that grades will be determined by the instructor of record and communicated by the consortium to the home institution. The home institution will record the grades and issue grade reports to the student.

The committee discussed how tuition (in-state and out-of-state) will be handled. Many committee members felt strongly that all students should pay the same rate, regardless of whether they are enrolled in a community college or university. It was noted that the only services the home institution is providing is registration, forwarding funds to TCIS, and issuing grades. After much discussion, the committee recommended charging all students the same rate and the home institution will award each student a scholarship to cover tuition costs. The accounting treatment will be as follows:

1) Unrestricted fund

Scholarship expense	XXXX.XX
Tuition and fees revenues	XXXX.XX

To record the scholarship awarded to TCIS participant in the amount of in-state and out-of-state tuition (if applicable).

2) Agency fund

Cash	XXXX.XX
Deposits held in custody for others	XXXX.XX

Unrestricted fund

Cash	XXX.XX
Tuition and fees revenues	XXX.XX

To record funds collected from TCIS participant for study abroad program (agency fund includes amount to be remitted to TCIS and unrestricted fund includes administrative fee included in TCIS calculation.)

3) Agency Fund

Deposits held in custody for others	XXXX.XX
Cash	XXXX.XX

To record the transfer of funds for TCIS participant to TCIS.

The committee recommended establishing separate revenue and expense accounts for TCIS scholarships and tuition. The committee further recommended excluding TCIS scholarships from the 10% scholarship ceiling.

The committee briefly discussed whether non-degree transient students will be eligible for TCIS scholarships and how TCIS scholarships will affect the recent attention on need-based scholarships. No recommendations were made on either issue.

Mr. Posey and Mr. Zettergren will research whether TCIS scholarships will have any affect on federal financial assistance awards.

Payment to Faculty Not Employed by the Delivery Institution

Dr. Adams reminded the committee that TBR policy requires that payment will be made by the home institution at which the instructor is employed. A dual service agreement is entered into between the home institution and the contracting institution.

Distribution of Fees Collected from Students of Multiple Institutions Participating in a Study Abroad Program Delivered by Another Institution

The TCIS will act as the administrative entity. As noted above, all home institutions will collect the amount calculated by the TCIS from each student and remit that amount to the TCIS. The home institution will account for these fees in the agency fund. The home institution will record tuition and fee revenue and an offsetting scholarship in the unrestricted fund for all TCIS participants. Additionally, the home institution will record any administrative fee collected in the unrestricted fund as tuition and fee revenue.

Reporting of Credit Hours Generated for Appropriation Purposes

The committee recommended that the home institution record and report the credit hours.

Accounting for Funds Collected from Students for Expenses beyond the Tuition Charges

The only funds collected from students will be the amount calculated by TCIS as the per student rate for the study abroad program. As noted above, all home institutions will collect the amount calculated by the TCIS from each student and remit that amount to the TCIS. The home institution will account for these fees in the agency fund, excluding any

amount collected as an administrative fee for the home institution. Any administrative fee amount collected will be recorded in the unrestricted fund as tuition and fee revenue.

Other

The committee discussed how the consortium will be funded. Currently, a consortium fee of \$3,000 for universities and \$2,000 for community colleges is assessed each institution. PSTCC is supplementing the remainder of TCIS' expenses. The committee discussed whether the consortium should be supported by an increase in the rate paid by participating students, an increase in the consortium fee, or a dedication of a percentage of the international education student fee. The committee eliminated dedicating a percentage of the international education student fee as an option. It was felt that this fee should remain on campus and used primarily to fund the TCIS scholarships, internationalizing the college curriculum, and international cultural events. Mr. Grimes noted that if the consortium fee is expected to solely fund the consortium, it will need to be increased to more than double the current rate. Several members saw value in increasing the fee collected from each participating student to include a consortium overhead amount. This method would allow the revenue stream to grow as program demand grows.

The committee discussed whether membership in the consortium is optional. Membership is not optional at this time.

There being no further business to discuss, the committee adjourned.

Policy No. 5:02:04:10

SUBJECT: Faculty Compensation During Summer Session and Inter-sessions

The Tennessee Board of Regents recognizes and considers summer session and intersession assignments of faculty as separate assignments from academic year appointments. It is further recognized that compensation for faculty assignments during summer sessions and intersessions should be a factor of the regular academic year salary which takes into account the nature and extent of the duties and responsibilities involved in these separate appointments. To provide for such appropriate levels of compensation for faculty service during summer sessions and intersessions, the Board hereby adopts the following compensation provisions.

Category I: Regular Academic year faculty personnel who serve the institution as teaching faculty during intersessions and summer sessions.

Faculty in this category shall be compensated at the rate of 1/32 of their academic year salary per semester hour of teaching load. The maximum summer and intersession pay may not exceed 25 percent of the preceding academic year salary; however, except as needs are determined by the institution, a faculty member may teach and be compensated for nine semester hours for the summer term, with appropriate documentation of need maintained at the institution.

Category II: Regular academic year faculty who serve under sponsored contracts for research and other professional services between academic years.

Compensation for personnel in this category shall not exceed the rate equivalent to one-ninth per month of the preceding academic year salary. If the faculty member works on a part-time basis on a sponsored contract project, the pay should be adjusted accordingly.

Category III: Division/Department Heads on an academic year appointment.

The level of compensation for these administrators should be commensurate with the duties assigned. For a full-time assignment, the rate of pay shall not exceed 25 percent of the preceding academic year salary.

Category IV: Part-time faculty.

The level of compensation for faculty in this category should follow the schedule set forth in TBR Guideline P-050 (Part-Time Faculty Compensation).

Category V: Faculty members in the Cecil C. Humphries School of Law (UM).

The level of compensation for faculty in this category will be at a flat rate of \$2500 per credit hour without regard to rank, and no faculty member may exceed the limit of three credit hours per summer term.

The above compensation provisions do not apply to campus-based study abroad programs or study abroad programs included in the Tennessee Consortium for International Studies (TCIS). Compensation for these programs will be determined by the institution or the Executive Director of TCIS, respectively.

Any exception to the compensation provisions indicated above requires prior approval by the Chancellor.

Source: TBR Meetings: March 4, 1977; March 17, 1989; March 16, 1990; October 2, 1998.

Guideline P-055

SUBJECT: Faculty Compensation for Teaching Credit Courses as an Overload

Tennessee Board of Regents Policy 5:01:05:00 OUTSIDE EMPLOYMENT AND EXTRA COMPENSATION provides that "the minimum rates per credit hour of instruction... must be applied when calculating compensation for extra service for full-time faculty teaching credit courses at community colleges and universities."

The rates set forth in this Guideline shall be considered minimum rates for compensation of full-time faculty teaching credit courses in excess of the normal load.

<u>Rank</u>	<u>Rate Per Credit Hour of Instruction</u>
Full Professor	\$700
Associate Professor	\$650
Assistant Professor	\$600
Instructor	\$550

The rate per credit hour of instruction refers to the number of credits granted toward the faculty load, which may differ from the number of student credit hours. Faculty often receive more credits for teaching laboratory courses, for example, than they do for non-laboratory courses.

The above rates do not apply to either campus-based study abroad programs or study abroad programs included in the Tennessee Consortium for International Studies (TCIS). Rates for these programs will be determined by the institution or the Executive Director of TCIS, respectively.

Source: Presidents meeting November 8, 2005

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: August 13, 2007
AGENDA ITEM: Proposed Policy on Minimizing the Cost of Textbooks
ACTION: Vote
PRESENTER: Vice Chancellor Paula Myrick Short

BACKGROUND INFORMATION:

The Presidents' Council will take action on proposed TBR policy 2:07:00:00—*Textbook Cost*.

POLICY 2:07:00:00

SUBJECT: Cost of Textbooks

Tennessee Code Annotated, Title 49, Chapter 7, Part 1 specifies that the Tennessee Board of Regents develop policies for minimizing the cost of textbooks and ancillary course materials at its higher education institutions, while maintaining quality of education and academic freedom.

I. Policy Development Provisions for All Institutions and Technology Centers

Each institution governed by the Tennessee Board of Regents shall develop policies for minimizing the cost of textbooks and ancillary course materials. The Tennessee Board of Regents hereby establishes certain minimum requirements each institution shall follow in developing institutional policies consistent with the provisions of this policy. Institutional policies shall require that:

- (1) Faculty members submit lists of required textbooks and course materials to any on-campus bookstore in a timely manner so that the bookstore can ensure that textbooks and other course materials are available when courses begin.
- (2) Students have access to information regarding required and supplementary course materials through viable channels, including the institution's website, before courses begin. This information must include, but is not limited to, the International Standard Book Number (ISBN).
- (3) Any on-campus bookstore disclose to faculty members on a per course basis the costs to students of purchasing the required textbooks and course materials and that faculty members affirmatively acknowledge the price of the textbooks and materials before an order is completed.
- (4) Faculty members consider practices that reduce the cost of course materials, such as adopting the least expensive option from the available products that meet the requirements of the course. Bundled materials should only be considered if they deliver cost savings to the students. (Note: "bundled" means a group of objects joined together by packaging or required to be purchased as an indivisible unit).
- (5) Any on-campus bookstore selling textbooks to students as part of a bundled package also provide students the option of purchasing the textbooks and other study products separately from each other, if possible.
- (6) Any on-campus bookstore actively promote and publicize book buy-back programs.
- (7) Copies of textbooks are made available for student use at no cost through the academic department or through the institution's library; provided, that such textbooks have been furnished at no charge by the publisher for this purpose.
- (8) All textbook inventory and monitoring by any on-campus bookstore as set forth through these policies shall be accomplished by existing bookstore staff.

II. Institutional Policy Approval

In developing policies for minimizing the cost of textbooks and ancillary course materials, an institution shall follow its established policy development and approval process. The institution policy, complete with processes, cost minimization strategies, and monitoring procedures, must be forwarded to the Tennessee Board of Regents Office of Academic Affairs for review and approval.

Source: Tennessee Board of Regents meeting, September 28, 2007

DRAFT

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: August 13, 2007

AGENDA ITEM: Discussion of Safety and Security Issue

ACTION: Information

PRESENTER: Bob Adams

BACKGROUND INFORMATION: A discussion will be conducted regarding the safety and security issue.

**Campus Security and Crisis Management
Tennessee Campus and System Office Roundtable
Discussion**

**Tennessee Higher Education Commission
July 2007**

Background

At the last meeting of the Tennessee Higher Education Commission, Shelby County Mayor and Commission member AC Wharton asked for more information about how Tennessee institutions are positioned to act in situations like the Virginia Tech tragedy. Mayor Wharton's question deals more with crisis management in circumstances like that at Blacksburg rather than in natural disasters or pandemics, though of course campus preparedness plans must address all possibilities. In response to Mayor Wharton's request, we have looked at campus safety policies including, for example, policies pertaining to student counseling referral and campus affiliation with local law enforcement.

A notable "grey area" spun from federal law is when an institution can take action to remove a student from campus versus when it encourages the student to use the counseling and health resources available through the institution. There are uncertainties for educators, mental health professionals, and law enforcement officers about what they can disclose under student privacy laws. In fact, the recent "Report to the President on Issues Raised by the Virginia Tech Tragedy" called on the federal Departments of Education and Health and Human Services to issue guidelines clarifying how colleges, police departments, and social-service agencies can share information legally under current federal laws governing student records. The report said it is the differing interpretations of federal law that must be clarified.

Mayor Wharton framed for our immediate Tennessee discussions the two most important questions that should direct higher education to examine its policies and practices regarding student safety and crisis management:

1. Are campus administrators aware of policies at their disposal for identifying potentially violent behaviors and situations and are campus personnel acting on these policies?
2. Are laws and policies adequate for ensuring the safety of students and campus personnel and overall crisis management?

As Mayor Wharton also wisely observed, the collision we are really discussing is where a person's individual rights to privacy end and where the public's right to protection begins.

As these discussions continue, we must take all care not to stigmatize individuals suffering from mental illness, for to do so is to "profile" and to discourage people from seeking professional help. It is not safe to imagine that individuals who are mentally troubled are committing most violent acts on campus. In fact, the mentally troubled may more often be victims than perpetrators.

Role of the Tennessee Higher Education Commission. The Tennessee Higher Education Commission itself does not have jurisdiction over campus security and crisis management policy, though the Commission should rightly be able to respond to the general public, parents, and students about the measures individual institutions and the Tennessee Board of Regents and the University of Tennessee systems take to ensure safety on campuses. We have looked more at the adequacy of policy and the adequacy of campus employment of it rather than listing campus-specific crisis management and security measures, such as email and text-messaging alerts and other types of broad-scale technology interventions. To informally assess the adequacy of policy and practice, we have undertaken, with the two systems, a conversation with "front line" campus personnel and system office decision makers regarding the existence and sufficiency of security-related laws and policies framed around Mayor Wharton's two questions.

THEC Roundtable on Campus Security. The THEC has coordinated a roundtable discussion through conference call involving system legal, financial, and student service officers and campus security chiefs, student affairs administrators, and technology coordinators. The purpose of the roundtable was to

gain some insight into the vital few principles that should drive campus security assurance.

Summary of Roundtable Discussion: Key Observations

In responding to the two target questions -- are campus policies adequate and are they being properly carried out -- the roundtable participants observed that policy is in fact in place and adequate, but policy is no protection unless supporting procedures are properly executed. Again, the “grey area” of interpretation of federal law makes clarity on the line between privacy and public protection difficult, and it is likely that, even in the best case, subjectivity cannot be totally eliminated from decision making. The roundtable group underscored the point that campuses have been very intentional in assessing procedures, identifying gaps in planning and operations, and instituting change. The institutions of both systems are evaluating the effectiveness of emergency preparedness and security plans and are taking steps to improve these plans. It was observed that, while policy is itself adequate, there may be possible “gaps” in planning. Two planning gaps identified are: (1) instituting a system-wide regular update and reporting of campus preparedness plans for both the Tennessee Board of Regents and the University of Tennessee Trustees and (2) assessing security and preparedness planning for the Tennessee Technology Centers (recognizing that the majority of TTCs call upon local law enforcement to handle complex security matters). The interviewed roundtable believed that, in every instance, institutions are committed to protecting the balance between the rights of the individual and the public good.

The group found consensus on two primary points:

1. The best campus security measure is funding, establishing, and sustaining safety education and communication and the personnel to maintain these activities.
2. Technology is an important tool in making a campus safe, but without investing in the manpower and training to maximize technology, campuses will not be able to sustain improvements.

First Point: The best long-term preventive solution lies in education and communication and the investment in personnel to make it happen.

Institutions must first invest in health and safety resources, especially personnel, and then invest in educational processes to make students and the entire campus community aware of resources available to them. Long-term investment in a personnel infrastructure (from police officers to counselors) is the most powerful approach to protecting the rights of individuals and the security of the whole. It is understood that resource allocation is difficult. However, the discussion group found investing in the following strategies essential:

- Hire, train, and retain security personnel in sufficient number and quality to make a visibility impact. The presence of a well-trained security force, especially one integrated into campus events, such as orientations for new students and parents, will go a long way toward creating a sense of security. Just the presence of strategically deployed officers on campus can deter crime. Too often, however, campuses are unable to compete with other law enforcement agencies in officer pay in hiring and retaining individuals, some of whom have been trained at the expense of the institution.
- Hire, train, and retain student counselors and professional mental health staff in sufficient number to meet the student needs. These professionals will be equipped with the knowledge to provide guidance to individual students and also serve as a campus resource for student referral to off-campus medical attention where warranted.
- Conduct campus information sessions on student right to privacy laws to clarify how the laws do or do not block communication about student behavior. FERPA, the Family Education Rights and Privacy Act, is a federal law that protects the privacy of student academic records, such as grade reports. A new Tennessee law permits parents, after the student has agreed that the institution can release this information, to know more about the student's academic records. The law does not extend to release of information about student health, counseling, or financial records. The roundtable discussion revealed that campuses can generally navigate

FERPA and HIPAA (Health Insurance Portability and Accountability ACT) in emergencies through provisions allowing exceptions to confidentiality, but often the provisions are themselves confusing and campus personnel may be unaware of the provisions. It is likely that institutions will want to consult legal counsel to weigh the risks of breaching confidentiality against the risks of keeping it.

- Train and retrain faculty and staff to understand and carry out established procedures for helping students get assistance, alerting the administration of potential problems, and acting in crisis situations to protect themselves and others. Too often the perception of liability in intervening in a potentially difficult situation may deter faculty and staff from acting. A familiarity and comfort with process, through effective training and retraining, will enable individuals with direct contact with students to act appropriately.
- Do a better job of educating all campus personnel and students about procedures they should follow in referring students to counseling as a preventive measure and addressing emergency response actions in the event of a campus incident. Again, all campus personnel must be educated about procedure, about health and counseling resources available to them, and about alert technologies.
- Assess the protocols that faculty, student services, campus mental health professionals, and the administration employ to evaluate students in distress. Particularly important is assessing the feedback loops for follow-up with students returning to school after hospitalization and medical leave for psychiatric care. The purpose of the review is to lessen the likelihood that contact with such students will be lost.
- Make campus safety a centerpiece of student orientations to inform parents of processes. Parents need information about the reasons for privacy of student information and the limits of the responsibility of the campus in making decisions regarding student health care. Security officers,

counselors, and administrators should be engaged in such events to ensure that parents and students receive appropriate information about the jurisdictions of campus police and that of local law enforcements.

- Proactively use campus crime statistics to communicate with the broader community about prevention and process. It is important for campus security to form partnerships with local law enforcement agencies, realizing that not all campus crime is student-related, and not all student law violations occur on campus.
- Instill in students the fact that they have a personal responsibility for their own safety. Students must be taught to make good choices about their own well-being, and campuses must provide safety and awareness education, not just to new students but routinely for all.
- Commit personnel and other resources to crime prevention through environmental design in building construction and space control. Institutions are giving greater attention to secure buildings, lighted paths, police patrols and escorts, surveillance cameras, and alarm systems as part of the overall safety environment planning.
- Develop, update, and publish effective preparedness plans that have engaged the entire campus community in their development.

As a caveat to these specific recommendations, the roundtable group pointed out that increases in violence on campus are not unlike increases in violence in society that we see in the malls, in neighborhoods and public places, or in any other location. However carefully security plans are constructed and resources dedicated to a safe campus, violence can still occur anywhere. Therefore, it is critically important to look at the root causes of behaviors and when they begin, not just when they result in violent acts.

The conversation also revealed that the concept of *in loco parentis*, where the institution is expected to act in the authority of the parent, probably belongs to an earlier time. The group observed that the primary principle upon which campuses

must now build a safe campus is “due process,” specifically in communicating and observing processes within the law for getting students help who need help and for taking action to get individuals who should be removed from campus out of the system. Due process can also be an inhibitor, as administrators navigate through decisions of immediacy against more deliberate action.

Second Point: Technology is an effective tool, but it is only a tool and must not be seen as a stand-alone solution.

A thoughtful and surprising observation of the roundtable group was that investing in technology may satisfy a natural inclination of campuses to take immediate action to allay fears of students and parents in the wake of a tragedy such as that at Virginia Tech. Money is going into technology because technology is immediate, expected to produce faster results, conveys to the public that campuses are up-to-date, and is perhaps easier to justify than long-term expenditures, such as increasing the number of counselors or strengthening the security force. Technology is sometimes expanded without sufficient manpower and training to integrate the technology into the overall security plan, an integration which is needed to achieve maximum impact. Sometimes the technology is implemented with the idea that training and education will catch up later, but it may be difficult to ensure that the follow-up will receive the right resources.

The roundtable observed that adding impressive technological tools may have unintended consequences, such as giving the campus a false sense of security and lulling it into complacency. Also, the use of the technology requires careful judgment about the threshold at which alarms, text messaging, and other alert systems will be employed. While both technology and communication with solid security education are both needed, much will be lost without the investment in personnel and training needed to make the entire preparedness plan operational. In a sense, education and training help to prevent personal and campus crises before they occur while some technologies are valuable as alerts after a disruptive event.

Campuses certainly vary on the comprehensiveness and methods of alerting students and personnel about emergencies, such as tornadoes or bomb possibilities, as well as those related to violent behaviors. It is clear that the size of the campus, the size of its enrollment, its technological capacity and other factors influence its decisions. Some of the technological warning and notification methods in place or being enhanced are instant text messaging, police and security force communication through satellite phones, campus emergency call boxes used as broadcast devices, and siren systems. Institutions are making facilities security improvements, such as installing card-swipe entry systems and magnetic locking systems. Institutions are also adding high security corridors, lighting in walkways and parking areas, staffing in buildings after hours, and video surveillance.

In summary, the roundtable discussion clearly reinforced the perception that University of Tennessee and Tennessee Board of Regents institutions are very seriously and quickly taking measures to improve safety and security. The discussion emphasized the importance of committing to education/communication and the personnel needed as well as dedicating resources to technology that can be maintained and effectively used. The group determined that ambiguities of federal law actually accentuate the importance of systematic training and security maintenance. Finally, the group underscored the fundamental point that continuing vigilance is essential in keeping campuses safe, and continued regard for diversity and difference and respect for the individual is essential in keeping campuses the special places that they are.

PRESIDENTS QUARTERLY MEETING

DATE: August 10, 2007

AGENDA ITEM: Statement on Auditing Standards Number 112, *Communicating Internal Control Related Matters Identified in an Audit*

ACTION: Information Item

PRESENTER: Tammy Gourley

BACKGROUND INFORMATION:

This auditing standard applies to financial statement audits for fiscal years ending after December 31, 2006; therefore, the standard applies for audits performed by state auditors for the fiscal year ended June 30, 2007.

Recently, State Audit provided some comments regarding this standard and how it may change their reporting on internal control. Definitions of control deficiencies in the new standard may require the auditors to report additional issues as findings that in previous audits were identified as weaknesses and communicated to management separately from the audit report. The standard is attached but an article, SAS 112: New Requirements for Control Deficiencies, in the April 2007 Business Officer magazine includes an overview of the standard (at the link below).

<http://www.nacubo.org/x9153.xml?ss=pf>

AU Section 325

Communicating Internal Control Related Matters Identified in an Audit

(Supersedes SAS No. 60.)

Source: SAS No. 112.

Effective for audits of financial statements for periods ending on or after December 15, 2006.

Introduction

.01 This section establishes standards and provides guidance on communicating matters related to an entity's internal control over financial reporting identified in an audit of financial statements. It is applicable whenever an auditor expresses an opinion on financial statements (including a disclaimer of opinion). In particular, this section:

- Defines the terms *significant deficiency* and *material weakness*.
- Provides guidance on evaluating the severity of control deficiencies identified in an audit of financial statements.
- Requires the auditor to communicate, in writing, to management and those charged with governance, significant deficiencies and material weaknesses identified in an audit.

.02 The term *those charged with governance* is defined in footnote 5 of section 339, *Audit Documentation*, as "the person(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting and disclosure process." In most entities, governance is a collective responsibility that may be carried out by a board of directors, a committee of the board of directors (for example, an audit or legislative oversight committee), a committee of management (for example, a finance, budget, or governmental agency executive committee), partners, equivalent persons, or some combination of these parties. In some smaller entities, management and those charged with governance may be the same people, for example, the owner in an owner-managed entity or a sole trustee.

.03 Internal control is a process—effected by those charged with governance, management, and other personnel—designed to provide reasonable assurance about the achievement of the entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control over the safeguarding of assets against unauthorized acquisition, use, or disposition may include controls related to financial reporting and operations objectives. Generally, controls that are relevant to an audit of financial statements are those that pertain to the entity's objective of reliable financial reporting. In this section, the term *financial reporting* relates to the preparation of reliable financial statements that are fairly presented in conformity with generally accepted

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accounting principles.¹ The design and formality of an entity's internal control will vary depending on the entity's size, the industry in which it operates, its culture, and management's philosophy.

.04 In an audit of financial statements, the auditor is not required to perform procedures to identify deficiencies in internal control^{2,3} or to express an opinion on the effectiveness of the entity's internal control.⁴ However, during the course of an audit, the auditor may become aware of control deficiencies while obtaining an understanding of the entity's internal control, assessing the risks of material misstatement of the financial statements due to error or fraud, performing further audit procedures to respond to assessed risk, communicating with management or others (for example, internal auditors or governmental authorities), or otherwise. The auditor's awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

Definitions

.05 A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in *design* exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that even if the control operates as designed, the control objective is not always met. A deficiency in *operation* exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively. Control deficiencies may involve one or more of the five interrelated components of internal control.

.06 A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood⁵

¹ Reference to generally accepted accounting principles includes, where applicable, a comprehensive basis of accounting other than generally accepted accounting principles, as that term is defined in paragraph .04 of section 623, *Special Reports*.

² Hereinafter in this section, the term *internal control* means internal control over financial reporting.

³ Section 319, *Consideration of Internal Control in a Financial Statement Audit*, contains a detailed discussion of internal control and the following five interrelated components of internal control: (a) the control environment, (b) risk assessment, (c) control activities, (d) information and communication, and (e) monitoring.

⁴ The auditor's responsibility for communicating matters related to an entity's internal control identified in an audit of financial statements is not the same as the practitioner's responsibility for reporting on the effectiveness of an entity's internal control in an attestation engagement performed under AT section 501, *Reporting on an Entity's Internal Control Over Financial Reporting*.

⁵ The term *remote likelihood* as used in the definitions of the terms *significant deficiency* and *material weakness* has the same meaning as the term *remote* as used in Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies*. Paragraph 3 of FASB Statement No. 5 states:

When a loss contingency exists, the likelihood that the future event or events will confirm the loss or impairment of an asset or the incurrence of a liability can range from probable to remote. This section uses the terms *probable*, *reasonably possible*, and *remote* to identify three areas within that range, as follows:

- a. *Probable*. The future event or events are likely to occur.
- b. *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- c. *Remote*. The chance of the future events or events occurring is slight.

Therefore, the likelihood of an event is "more than remote" when it is at least reasonably possible.

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that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.

.07 The phrase "more than inconsequential" as used in the definition of significant deficiency describes the magnitude of potential misstatement that could occur as a result of a significant deficiency and serves as a threshold for evaluating whether a control deficiency or combination of control deficiencies is a significant deficiency. A misstatement is inconsequential if a reasonable person would conclude, after considering the possibility of further undetected misstatements, that the misstatement, either individually or when aggregated with other misstatements, would clearly be immaterial to the financial statements. If a reasonable person would not reach such a conclusion regarding a particular misstatement, that misstatement is more than inconsequential.

.08 In determining whether a potential misstatement would be more than inconsequential, the auditor should consider qualitative and quantitative factors. Inconsequential in this context is not the same concept as the threshold amount the auditor establishes in an audit of financial statements below which known and likely misstatements need not be accumulated. For example, for the purposes of evaluating control deficiencies, a potential misstatement that is less than 20 percent of overall financial statement materiality may be considered inconsequential, before considering qualitative factors. However, a potential misstatement that is less than 20 percent of overall financial statement materiality may be considered more than inconsequential as a result of qualitative factors.⁶

Evaluating Control Deficiencies Identified as Part of the Audit

.09 The auditor must evaluate identified control deficiencies and determine whether these deficiencies, individually or in combination, are significant deficiencies or material weaknesses. The significance of a control deficiency depends on the potential for a misstatement, not on whether a misstatement actually has occurred. Accordingly, the absence of identified misstatement does not provide evidence that identified control deficiencies are not significant deficiencies or material weaknesses.

.10 When evaluating whether control deficiencies, individually or in combination, are significant deficiencies or material weaknesses, the auditor should consider the likelihood and magnitude of misstatement.

.11 The following are examples of factors that may affect the likelihood that a control, or combination of controls, could fail to prevent or detect a misstatement:

- The nature of the financial statement accounts, disclosures, and assertions involved. For example, suspense accounts and related party transactions involve greater risk.
- The susceptibility of the related assets or liabilities to loss or fraud.

⁶ Interpretation No. 4, "Considering the Qualitative Characteristics of Misstatements" (section 9312.15-17), of section 312, *Audit Risk and Materiality in Conducting an Audit*, identifies qualitative factors an auditor may consider in determining whether a misstatement is material.

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- The subjectivity and complexity of the amount involved, and the extent of judgment needed to determine that amount.
- The cause and frequency of any known or detected exceptions related to the operating effectiveness of a control.
- The interaction or relationship of the control with other controls.
- The interaction of the control deficiency with other control deficiencies.
- The possible future consequences of the deficiency.

.12 Several factors affect the magnitude of a misstatement that could result from a deficiency or deficiencies in controls. The factors include, but are not limited to, the following:

- The financial statement amounts or total of transactions exposed to the deficiency.
- The volume of activity in the account balance or class of transactions exposed to the deficiency in the current period or expected in future periods.

The maximum amount by which an account balance or total of transactions can be overstated generally is the recorded amount. However, because of the potential for unrecorded amounts, the recorded amount is not a limitation on the amount of potential understatement.

.13 Multiple control deficiencies that affect the same financial statement account balance or disclosure increase the likelihood of misstatement and may, in combination, constitute a significant deficiency or material weakness, even though such deficiencies are individually insignificant. Therefore, the auditor should evaluate individual control deficiencies that affect the same account balance, disclosure, relevant assertion, or component of internal control, to determine whether they collectively result in a significant deficiency or material weakness.

.14 In determining whether a control deficiency or combination of control deficiencies is a significant deficiency or material weakness, the auditor also should evaluate the possible mitigating effects of effective compensating controls that have been tested and evaluated as part of the financial statement audit. A compensating control is a control that limits the severity of a control deficiency and prevents it from rising to the level of a significant deficiency or, in some cases, a material weakness. Compensating controls operate at a level of precision, considering the possibility of further undetected misstatements, that would result in the prevention or detection of a misstatement that is more than inconsequential or material to the financial statements. Although compensating controls mitigate the effects of a control deficiency, they do not eliminate the control deficiency.

.15 The auditor's evaluation of the possible mitigating effects of compensating controls can be illustrated by the following example, in which an owner-managed entity does not segregate duties within the accounts payable function. As a compensating control, the owner reviews the supporting documentation for all disbursements exceeding \$1,000. The auditor could evaluate the effect of this compensating control and determine whether it operates effectively for the purpose of mitigating the effects of the control deficiency in the accounts payable function (the lack of segregation of duties).

.16 In an audit in which the auditor has decided to test the operating effectiveness of controls, the auditor may encounter deviations in the operation of those controls. A control that has an observed nonnegligible deviation rate is a deficiency regardless of the reason for the deviation. For example, if the auditor

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designs a test in which he or she selects a sample and expects no deviations, the finding of one deviation is a nonnegligible deviation rate because, based on the results of the auditor's test of the sample, the desired level of confidence was not obtained.

.17 The auditor should conclude whether prudent officials, having knowledge of the same facts and circumstances, would agree with the auditor's classification of the deficiency.

.18 Deficiencies in the following areas ordinarily are at least significant deficiencies in internal control:

- Controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles. Having sufficient expertise in selecting and applying accounting principles is an aspect of such controls.
- Antifraud programs and controls.
- Controls over nonroutine and nonsystematic transactions.
- Controls over the period-end financial reporting process, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; and record recurring and nonrecurring adjustments to the financial statements.

.19 Each of the following is an indicator of a control deficiency that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control:

- Ineffective oversight of the entity's financial reporting and internal control by those charged with governance.
- Restatement of previously issued financial statements to reflect the correction of a material misstatement. (The correction of a misstatement includes misstatements due to error or fraud; it does not include restatements to reflect a change in accounting principle to comply with a new accounting principle or a voluntary change from one generally accepted accounting principle to another generally accepted accounting principle.)
- Identification by the auditor of a material misstatement in the financial statements for the period under audit that was not initially identified by the entity's internal control. This includes misstatements involving estimation and judgment for which the auditor identifies likely material adjustments and corrections of the recorded amounts. (This is a strong indicator of a material weakness even if management subsequently corrects the misstatement.)
- An ineffective internal audit function or risk assessment function at an entity for which such functions are important to the monitoring or risk assessment component of internal control, such as for very large or highly complex entities.
- For complex entities in highly regulated industries, an ineffective regulatory compliance function. This relates solely to those aspects of the ineffective regulatory compliance function for which associated violations of laws and regulations could have a material effect on the reliability of financial reporting.

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- Identification of fraud of any magnitude on the part of senior management. (The auditor has a responsibility to plan and perform procedures to obtain reasonable assurance about whether the financial statements are free of material misstatement caused by error or fraud.⁷ However, for the purposes of evaluating and communicating deficiencies in internal control, the auditor should evaluate fraud of any magnitude—including fraud resulting in immaterial misstatements—on the part of senior management, of which he or she is aware.)
- Failure by management or those charged with governance to assess the effect of a significant deficiency previously communicated to them and either correct it or conclude that it will not be corrected. See paragraph .20 for communication requirements in these circumstances.
- An ineffective control environment. Control deficiencies in various other components of internal control could lead the auditor to conclude that a significant deficiency or material weakness exists in the control environment.

See the Appendix [paragraph .32] of this section for examples of circumstances that may be control deficiencies, significant deficiencies, or material weaknesses.

Communication—Form, Content, and Timing

.20 Control deficiencies identified during the audit that upon evaluation are considered significant deficiencies or material weaknesses under this section must be communicated in writing to management and those charged with governance as a part of each audit, including significant deficiencies and material weaknesses that were communicated to management and those charged with governance in previous audits, and have not yet been remediated. (Significant deficiencies and material weaknesses that previously were communicated and have not yet been remediated may be communicated in writing by referring to the previously issued written communication and the date of that communication.)

.21 The written communication referred to in paragraph .20 is best made by the report release date, which is the date the auditor grants the entity permission to use the auditor's report in connection with the financial statements, but should be made no later than 60 days following the report release date. See section 339.23 for additional guidance related to the report release date.

.22 For some matters, early communication to management or those charged with governance may be important. Accordingly, the auditor may decide to communicate certain identified significant deficiencies and material weaknesses during the audit. If the communication is made during the audit, the form of interim communication would be affected by the relative significance of the identified control deficiencies and the urgency for corrective follow-up action. Such early communication is not required to be in writing. However, regardless of how the early communication is delivered, the auditor must communicate all significant deficiencies and material weaknesses in

⁷ Section 316, *Consideration of Fraud in a Financial Statement Audit*, provides guidance on the auditor's responsibilities for planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether caused by error or fraud.

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writing to management and those charged with governance in accordance with paragraphs .20 and .21.

.23 The existence of significant deficiencies or material weaknesses may already be known to management and may represent a conscious decision by management or those charged with governance to accept that degree of risk because of cost or other considerations. Management is responsible for making decisions concerning costs to be incurred and related benefits. The auditor's responsibility to communicate significant deficiencies and material weaknesses in accordance with paragraph .20 exists regardless of management's decisions.

.24 Nothing precludes the auditor from communicating to management and those charged with governance other matters that the auditor:

- Believes to be of potential benefit to the entity, such as recommendations for operational or administrative efficiency, or for improving internal control.
- Has been requested to communicate, for example, control deficiencies that are not significant deficiencies or material weaknesses.

Such matters may be communicated either orally or in writing. If the information is communicated orally, the auditor should document the communication.

.25 The written communication regarding significant deficiencies and material weaknesses identified during an audit of financial statements should:

- State that the purpose of the audit was to express an opinion on the financial statements, but not to express an opinion on the effectiveness of the entity's internal control over financial reporting.
- State that the auditor is not expressing an opinion on the effectiveness of internal control.
- Include the definition of the terms *significant deficiency* and, where relevant, *material weakness*.
- Identify the matters that are considered to be significant deficiencies and, if applicable, those that are considered to be material weaknesses.
- State that the communication is intended solely for the information and use of management, those charged with governance, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. If an entity is required to furnish such auditor communications to a governmental authority, specific reference to such governmental authorities may be made.

.26 The following is an illustrative written communication encompassing the requirements in paragraph .25.

In planning and performing our audit of the financial statements of ABC Company as of and for the year ended December 31, 20XX, in accordance with auditing standards generally accepted in the United States of America, we considered ABC Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

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Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies *[and other deficiencies that we consider to be material weaknesses]*.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies to be significant deficiencies in internal control:

[Describe the significant deficiencies that were identified.]

[A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiencies constitute material weaknesses.]

[Describe the material weaknesses that were identified.]

This communication is intended solely for the information and use of management, *[identify the body or individuals charged with governance]*, others within the organization, and *[identify any specified governmental authorities]* and is not intended to be and should not be used by anyone other than these specified parties.

.27 If the auditor wishes, he or she may include additional statements in the communication regarding the general inherent limitations of internal control, including the possibility of management override of controls, or the specific nature and extent of the auditor's consideration of internal control during the audit.

.28 A client may ask the auditor to issue a communication indicating that no material weaknesses were identified during the audit of the financial statements for the client to submit to governmental authorities. The following is an illustrative communication that may be used when the auditor has not identified any material weaknesses and wishes, or has been requested, to advise management and those charged with governance that no material weaknesses were identified.⁸

In planning and performing our audit of the financial statements of ABC Company as of and for the year ended December 31, 20XX, in accordance with auditing standards generally accepted in the United States of America, we considered ABC Company's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

⁸ If an examination of internal control under AT section 501 was performed for the same period or "as of" date as the audit of the financial statements, the issuance of a report indicating that no material weaknesses had been identified during the audit of the financial statements would not be appropriate.

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Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, *[identify the body or individuals charged with governance]*, others within the organization, and *[identify any specified governmental authorities]* and is not intended to be and should not be used by anyone other than these specified parties.

If one or more significant deficiencies have been identified, the auditor may add the following sentence to the fourth paragraph of the communication:

However, we identified certain deficiencies in internal control that we consider to be significant deficiencies, and communicated them in writing to management and those charged with governance on *[date]*.

.29 The auditor should not issue a written communication stating that no significant deficiencies were identified during the audit because of the potential for misinterpretation of the limited degree of assurance provided by such a communication.

.30 Management may wish to, or may be required by a regulator to, prepare a written response to the auditor's communication regarding significant deficiencies or material weaknesses identified in the audit. Such management communications may include a description of corrective actions taken by the entity, the entity's plans to implement new controls, or a statement indicating that management believes the cost of correcting a significant deficiency or material weakness would exceed the benefits to be derived from doing so. If such a written response is included in a document containing the auditor's written communication to management and those charged with governance concerning identified significant deficiencies or material weaknesses, the auditor should add a paragraph to his or her written communication disclaiming an opinion on such information. Following is an example of such a paragraph.

ABC Company's written response to the significant deficiencies *[and material weaknesses]* identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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Effective Date

.31 This section is effective for audits of financial statements for periods ending on or after December 15, 2006. Earlier implementation is permitted.

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Appendix

Examples of Circumstances That May Be Control Deficiencies, Significant Deficiencies, or Material Weaknesses

Paragraph .18 of this section identifies areas in which control deficiencies ordinarily are at least significant deficiencies, and paragraph .19 identifies indicators that a control deficiency should be regarded as at least a significant deficiency and a strong indicator of a material weakness. The following are examples of circumstances that may be control deficiencies, significant deficiencies, or material weaknesses.

Deficiencies in the Design of Controls

- Inadequate design of internal control over the preparation of the financial statements being audited.
- Inadequate design of internal control over a significant account or process.
- Inadequate documentation of the components of internal control.
- Insufficient control consciousness within the organization, for example, the tone at the top and the control environment.
- Absent or inadequate segregation of duties within a significant account or process.
- Absent or inadequate controls over the safeguarding of assets (this applies to controls that the auditor determines would be necessary for effective internal control over financial reporting).
- Inadequate design of information technology (IT) general and application controls that prevent the information system from providing complete and accurate information consistent with financial reporting objectives and current needs.
- Employees or management who lack the qualifications and training to fulfill their assigned functions. For example, in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.
- Inadequate design of monitoring controls used to assess the design and operating effectiveness of the entity's internal control over time.
- The absence of an internal process to report deficiencies in internal control to management on a timely basis.

Failures in the Operation of Internal Control

- Failure in the operation of effectively designed controls over a significant account or process, for example, the failure of a control such as dual authorization for significant disbursements within the purchasing process.

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- Failure of the information and communication component of internal control to provide complete and accurate output because of deficiencies in timeliness, completeness, or accuracy, for example, the failure to obtain timely and accurate consolidating information from remote locations that is needed to prepare the financial statements.
- Failure of controls designed to safeguard assets from loss, damage, or misappropriation. This circumstance may need careful consideration before it is evaluated as a significant deficiency or material weakness. For example, assume that a company uses security devices to safeguard its inventory (preventive controls) and also performs periodic physical inventory counts (detective control) timely in relation to its financial reporting. Although the physical inventory count does not safeguard the inventory from theft or loss, it prevents a material misstatement of the financial statements if performed effectively and timely. Therefore, given that the definitions of material weakness and significant deficiency relate to likelihood of misstatement of the financial statements, the failure of a preventive control such as inventory tags will not result in a significant deficiency or material weakness if the detective control (physical inventory) prevents a misstatement of the financial statements. Material weaknesses relating to controls over the safeguarding of assets would only exist if the company does not have effective controls (considering both safeguarding and other controls) to prevent or detect a material misstatement of the financial statements.
- Failure to perform reconciliations of significant accounts. For example, accounts receivable subsidiary ledgers are not reconciled to the general ledger account in a timely or accurate manner.
- Undue bias or lack of objectivity by those responsible for accounting decisions, for example, consistent understatement of expenses or overstatement of allowances at the direction of management.
- Misrepresentation by client personnel to the auditor (an indicator of fraud).
- Management override of controls.
- Failure of an application control caused by a deficiency in the design or operation of an IT general control.

[The next page is 444-21.]

PRESIDENTS QUARTERLY MEETING

DATE: August 13, 2007

AGENDA ITEM: Banner Modification Assessment

ACTION: Information Item

PRESENTER: Tom Danford

BACKGROUND INFORMATION:

The attached matrix detailing all of the modifications that have been created for Banner will be discussed with the presidents.

Mod Design Elimination/Improvement

Mod		Module	Classification	Description	Elimination/Improvement	Best Solution	Comments
					Business Process Change Policy Change Redesign		
TBR-001	Student	Modification	Developmental Studies Program Processing	Policy Change - TBR	DSP course enrollment could be handled with baseline prerequisite checking and elimination of A89 requirements, if reporting was not required.	Is required by TBR	
TBR-002	Student	Modification	A89 Admissions Requirement Processing	Policy Change - TBR	DSP course enrollment could be handled with baseline prerequisite checking and elimination of A89 requirements, if reporting was not required.	Is required by TBR	
TBR-007	Stu/Fin Aid	Modification	TN Education Lottery Scholarship Program Processing		Required by state law for HOPE Scholarship reporting.	Is required by State	
TBR-020	Fin Aid	Modification	TSAC Grant Roster Processing		This mod required due to state law for TSAA (State Grant) reporting.	Is required by State	
TBR-022	Fin Aid	Modification	Enrollment Warning for FA Applicants	Redesign Banner Baseline	This mod could be eliminated if it were not required that we notify financial aid students immediately when they drop classes that may impact their receipt of aid or scholarships. This mod could be eliminated if we were not required that we notify students when they exceed a maximum cumulative number of developmental studies classes (i.e. 30) and baseline Banner enter awards students to acadrop (swap) courses during all parts of term with no penalty, or does not allow any "free" course swapping at all. This mod regulates swapping in accordance with TBR refund policy by allowing even swaps in certain situations and by restricting even	Although this mod is not required, without the mod, Financial Aid would need to manually monitor and warn students.	
TBR-023	Fin Aid	Modification	Developmental Studies Program	Redesign Banner Baseline		Without the mod, Financial Aid would need to manually monitor and warn students.	
TBR-027	Student A/R	Modification	A/R Refunding and Course Swap (Phase II)	Policy Change		Is required by TBR	
TBR-030	Student	Modification	RODP/ROCE Phase 2 (Pending)	Policy Change	Since this is a TBR Program, this mod is required.	Is required by TBR	
TBR-031	Student A/R	Modification	Deferred Payment Processing (On Hold)	Eliminate	This mod was put on hold due to Touchnet Installment Payment Plan processing.	Is required by TBR. Because all schools are using the Touchnet Installment Payment Plan, this mod could be eliminated.	
TBR-032	Student A/R	Modification	Mixed Career Processing (Phase II)	Policy Change/Redesign Banner Baseline	This mod enables the institutions to establish a maximum charge for students taking mixed career courses, in accordance with TBR policy. Baseline Banner charges per registered course at each appropriate level, adding all fees with no maximum.	Is required by TBR	
TBR-035	Student	Modification	TELS Scholarship Student Modification		This mod is required per state law.	Is required by State	
TBR-045	Student	Modification	Immunization Tracking (Hep B & Meningitis)	Redesign Mod	The new Change Requests will correct the design error and give us the needed functionality. This is also State Law.	Is required by State	
TBR-046	Student	Modification	Repeat Processing	Banner Baseline	have provided more options in how many attempts counted	Is required by TBR	
TBR-050	Student A/R	Modification	Confirmation of Registration (Phase II)	Policy Change	Needed functionality of the flexibility for purge.	Unsure if this is TBR or THEC policy.	
TBR-051	Student	Modification	Combined Stats	Policy Change	This mod is required due to state requirements	Is required by TBR and THEC	
TBR-053	Student	Modification	Duplicate Course Reg Checking by Perm (Pending)	Redesign Banner Baseline	Redesign baseline to honor functionality of part of term.	Is required by TBR	

Mod Design Elimination/Improvement

Elimination/Improvement:

Business Process Change
Policy Change
Redesign

Mod	Module	Classification	Description	Best Solution	Comments
TBR-052	HR	Modification Report/Extract	Salary Planner	Policy Change/Redesign Banner Baseline	This enhancement allows adjustment of position budgets during the year. It gives flexibility to give mid-year increases without manually entering position budgets one at a time. We would expect to see this enhancement in a future release of the base product.
TBR-009	HR	Report/Extract	TN Retirement System (PRU) Interface to State	Redesign Mod	Retirement System. The base system does not include an option for reporting retirement premiums to the State.
TBR-017	HR	Report/Extract	TN Insurance System (TIS) Interface to State	Redesign Mod	State employees are eligible to participate in an approved insurance program. The base system does not include an option for reporting insurance premiums to the State.
TBR-024	Student	Report/Extract	On-Line Regents Degree Program Support	Redesign Mod	This mod was created to identify RODP courses and enrollment to be loaded to the TBR course management instance.
TBR-025	HR	Report/Extract	Employee and Position Extract	Redesign Mod	The Personnel Budget must be reported to TBR but the extract/reports could be redesigned to be strictly budget documents without including demographic data for employees. As an interim solution, this mod enables the institutions who have implemented Banner HR to crosswalk the salary data in Banner back to the old PER files for reporting the personnel budget to TBR and consolidation of reports at the system-wide level.
TBR-026	HR	Report/Extract	Salary Extract	Redesign Mod	This mod replaces our current institutions who have implemented Banner HR to report raises and other salary adjustments to TBR and the State. This could have been done in an Excel spreadsheet.
TBR-036	Fin Aid	Report/Extract	Attendance Reports (Phase II)	Redesign Banner Baseline	This is a national requirement for reporting non-attendance. If SunGard redesigned the functionality of the grade roster and our community colleges did not require positive attendance reporting, then this could be eliminated.
TBR-037	HR	Report/Extract	BEST Deduction Report - HR Extract		The State mandates that this benefit for prepaying college tuition be offered to our employees.
TBR-038	HR	Report/Extract	Tax Deferred Comp Report - HR Extract		The State offers this benefit for their employees so that this information could be reported to approved tax deferred annuity companies.
TBR-039	HR	Report/Extract	Flex Benefit Extract - HR Extract		The State mandates that this benefit be offered to our employees so that these deductions are reported to the Fringe Benefit Management Company.
TBR-040	HR	Report/Extract	Monthly ORP Report - HR Extract		State employees are eligible to participate in an approved retirement program. The base system does not include an option for reporting retirement premiums to the State.
TBR-042	HR	Report/Extract	New Hire - HR Extract		The State mandates that newly hired employees be reported to determine if they are on the "Dead Beat Dads" list.

Mod Design Elimination/Improvement

Mod		Module	Classification	Description	Elimination/Improvement Business Process Change Policy Change Redesign	Best Solution	Comments
TBR-043		HR	Report/Extract	Flex Benefit Yearly Upload - HR Extract		The State mandates that flexible spending benefits for eligible health and dental flex premium amounts, and updating optional flexible spending accounts for health and dependent day care expenses be offered to our employees.	Is required by State. Manual entry through Banner forms would not be efficient and the data entry error rate probably would increase resulting in errors in taxable wages, and deducting incorrect amounts from employee's checks.
TBR-044		Finance	Report/Extract	Finance Budget Reports (TBR-047 Finance Budget Extract merged here)	Policy Change/Redesign Mod	On a semi-annual basis financial budgets are reported to TBR. This modification ensures that all institutions are reporting their financial data in a format that enables TBR to consolidate all institution's data.	Is required by TBR
TBR-048		HR	Report/Extract	Leave Roll & Liability Reporting	Policy Change/Redesign Banner Baseline	TBR policy states that we must roll annual leave balances in excess of 315 hours to sick leave. If the policy were changed part of this modification could be eliminated and the base programs could be used; however, the results may not be as expected by TBR. Liability reporting is required by the GASB but TBR has defined how the liabilities are calculated. These short term and long term liabilities are included in the annual report. Banner should include this functionality in their base product.	Is required by TBR

PRESIDENTS QUARTERLY MEETING

DATE: August 13, 2007

AGENDA ITEM: Allocation for Banner Advancement Module

ACTION: Approval

PRESENTER: Bob Adams

BACKGROUND INFORMATION: Allocation for the Banner advancement module will be discussed.

Banner Advancement Implementation Costs

(Estimates - for discussion purposes only)

	Tier	Shared (All Schools)			Shared (All Advancement Schools)			Additional 7 Share Extra	
		Allocation	Number of Implementations		Allocation	Original 10	Additional 7	Allocation	Additional 7
			Original 10	Additional 7					
APSU*	IV	5.7%	29,815	49,633	6.3%	32,916	54,794		
ETSU*	V	8.8%	46,028	76,622	9.8%	50,814	84,589		
MTSU*	VI	13.3%	69,123	115,068	14.7%	76,310	127,033		
TSU*	V	7.6%	39,622	65,959	8.4%	43,743	72,818		
TTU*	V	7.2%	37,410	62,276					
UOM*	VI	14.9%	77,419	128,879	16.4%	85,469	142,280		
CSTCC	IV	4.2%	22,030	36,672	4.7%	24,320	40,486	14.1%	48,675.95
CLSCC*	II	2.2%	11,595	19,303					
COSCC	III	2.9%	14,851	24,722	3.2%	16,395	27,293	9.5%	32,814.33
DSCC*	II	2.0%	10,204	16,987	2.2%	11,265	18,753		
JSCC	III	2.8%	14,350	23,889	3.0%	15,843	26,373	9.2%	31,708.18
MSCC*	III	2.5%	13,241	22,043	2.8%	14,618	24,335		
NSCC	IV	3.5%	18,254	30,387	3.9%	20,152	33,546	11.7%	40,332.72
NSTCC	III	2.8%	14,523	24,176	3.1%	16,033	26,690	9.3%	32,089.26
PSTCC	IV	4.1%	21,159	35,223	4.5%	23,359	38,886	13.5%	46,751.88
RSCC	III	2.9%	15,102	25,140	3.2%	16,672	27,754	9.6%	33,368.55
STCC*	V	5.6%	29,310	48,792	6.2%	32,358	53,865		
VSCC	IV	3.7%	19,391	32,281	4.1%	21,408	35,637	12.4%	42,846.47
WSCC	III	3.2%	16,852	28,054	3.6%	18,605	30,971	10.8%	37,236.66
Total Costs:		100.0%	\$520,280	\$866,104	100.0%	\$520,280	\$866,104	100.0%	\$345,824

Notes:

Costing is only for implementation training and consulting

Schools with an asterisk (*) were licensed for Advancement under Plus

Cost for 10 implementations: \$520,280

Cost for additional 7 implementations: \$345,824

Cost to add 18th institution: \$27,392

Cost to add 19th institution: \$122,771

Cost for stand alone implementation: \$213,575

Cost for 19 stand alone implementations: \$4,057,925

All costs are spread out over the remaining term of the contract.

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: August 13, 2007

AGENDA ITEM: Proposed Revisions to Policies and Guidelines under Business Affairs

ACTION: Approval

PRESENTER: Bob Adams

BACKGROUND INFORMATION: Proposed revisions to the following guidelines and policies are being presented for approval:

- Policy 4:02:10:00 – Purchasing Policy and Procedures
- Policy 4:04:01:50 – Revenues from Campus Concessions
- Policy 4:05:01:01 – Inventory Method for TBR Libraries
- Policy 4:06:00:00 – Expenditure of State Funds for Paid Advertising
- Policy 4:07:00:00 – Business Meals and Other Recognition Events
- Guideline B-060 – Fees, Charges and Refunds
- Guideline B-062 – Other Educational Assistance Programs
- Guideline G-110 – Lead Institutions

POLICY 4:02:10:00 Purchasing Policy

H. Limitations of Liability. The Chancellor or designee may approve limitations of liability and limitations of warranty in contracts for personal services, professional services, and consultant services.

Approval Process. The request made under this Section must be submitted in writing to the Chancellor and must be signed by the President or Director.

Not Authorized. The Chancellor is not authorized to approve limitations of contractor liability which may reduce TBR's potential recovery from a contractor below two (2) times the value of the contract without the written permission of the Commissioner of Finance and Administration. In no event shall a limitation of liability or warranty permitted under this Section limit the liability of the contractor for intentional torts, criminal acts, or fraudulent conduct. This Section does not authorize any further limitation of the legal rights of TBR as a state entity, does not constitute a waiver of sovereign immunity, and does not authorize a cause of action against TBR in any jurisdiction.

POLICY 4:04:01:50

SUBJECT: Revenues From Campus Concession

The institutions ~~and technology centers~~ governed by the ~~State~~ **Tennessee** Board of Regents shall consider revenue received from campus concessions as unrestricted revenue.

Any contract between the institution ~~or center~~ and any external agency to the institution ~~or center~~ is to be awarded on the basis of ~~open competition in the form of proposals or bids.~~ **any method provided under TBR Purchasing Policy.**

Any award of concessions to agencies internal to the institution ~~or center~~ shall be awarded on the basis of proposals presented to the institution ~~or center~~ and eligibility to present proposals will not be limited to any specific internal agency.

Source: TBR Meetings, August 17, 1973; September 30, 1983

POLICY 4:05:01:01

SUBJECT: Inventory Method for TBR Libraries

In the ~~TBR~~ **Tennessee Board of Regents** libraries, collections vary significantly in ~~their~~ size and in the type of material ~~they contain~~ **contained**; consequently, the ~~prescription~~ **mandate** of a specific or uniform inventory method for all of the libraries to follow is not appropriate. The cost of conducting a systematic inventory of book stock and other library materials is also an important management consideration in TBR libraries.

(1) A full or partial inventory or census may be conducted annually to meet TBR requirements for materials accountability, and to meet the guidelines of internal accounting and administrative control that are cited in the Financial Integrity Act. **(TCA 9-18-102)**

(2) If a TBR library chooses to do an inventory, one of the two following methods should be used: (A) A partial inventory that covers the entire collection over a two- to five-year period; or (B) An annual or biennial book census using a reliable sampling technique derived from an authoritative statistics textbook that explains how to do standard deviation calculations.

(3) In order to meet the guidelines of internal accounting and administrative control that are cited in the Financial Integrity Act, TBR libraries not choosing to do an inventory must annually report to their institutions the numbers of library materials withdrawn from their collections.

Source: TBR Meeting, June 30, 1989; April 2, 2004

Policy No.: 4:06:00:00

SUBJECT: EXPENDITURE OF STATE FUNDS FOR PAID ADVERTISING

I. General Statement

The purpose of this policy is to provide parameters within which colleges, universities and technology centers shall use state funds for advertising. Advertising, for the purposes of this policy, refers to expenditures to recruit students by media purchases through television, radio, newspapers, billboards, etc. This policy excludes advertising for position vacancies, costs associated with publication expenditures (see G-140), and advertising for auxiliary operations or athletic events and programs.

Advertising for the recruitment of students shall be designed to increase enrollments in the service delivery area as the first priority for advertising of ~~TBR~~ community colleges and technology centers. Any advertising in regional newspapers shall be restricted to zoned editions. Universities are not subject to service delivery area borders and are allowed to develop advertising campaigns that are congruent with the mission of the university.

Advertising expenditures should result in a citizenry which is better informed and thus more likely to support state higher education through both private giving and more effective advocacy. Advertising also informs citizens of the opportunities available through the state's institutions of higher education, thus improving the state's workforce and competitive position in the global economy. ~~TBR universities~~ **Universities** shall advertise in a manner that is designed to increase campus enrollments by emphasizing academic program offerings.

Campuses are encouraged to maintain an appreciation ~~for~~ **of** the efforts of all post secondary institutions to provide educational services to students. In this sense, advertising for one campus should not be designed in a manner that has the impact of being detrimental with regard to the educational services provided by another campus.

Given the aforementioned criteria, each campus shall evaluate paid advertising on an annual basis to determine if the original ~~statements~~ **estimates** of probable returns on investment are realized. A "cost to benefit" analysis of paid advertising should be a significant factor in the determination whether or not to continue ~~the~~ **an** advertising campaign, along with other factors deemed appropriate by the President **or Director**

I. Exceptions

Any exceptions to this policy may be approved by the Chancellor.

SOURCE: TBR Meeting December 4, 1998.

Policy No.: 4:07:00:00

SUBJECT: Business Meals and Recognition Events

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

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

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

Institutional funds may be used to purchase food and non-alcoholic beverages for recognition, appreciation and/or retirement events if the event is in accordance with institutional policies and is reasonable in number and events per fiscal year and amount spent. Recognition gifts and retirement plaques are allowable up to a reasonable value limit per employee/retiree recognized.

Source: TBR Board Meeting December 5, 2003; December 2, 2005.

Guideline B-060 – Fees, Charges and Refunds

XII. Refunds **and Fee Adjustments**

~~Refunds~~ of **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% ~~refund~~ **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 ~~basic refund~~ **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 ~~extended~~ **extends** 25% of the length of the term. There is no ~~refund~~ **fee adjustment** after the 25% period ends. **Students enrolling in more than a full-time course load receive the benefit of additional course work at no additional cost. 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 as described in item 10 below.**
4. For summer sessions and other short terms, the 75% ~~refund~~ **fee adjustment** period and the 25% ~~refund~~ **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 ~~refund~~ **fee adjustment** periods will be rounded to whole days and the date on which each ~~refund~~ **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% ~~refunds~~ **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 refund percentage is applied to the difference between the per hour rate (or maximum) for the number of credit hours immediately before the drop or withdrawal and the number immediately afterward.~~

The fee adjustment is calculated as the difference between (1) the 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) with total costs not to exceed full-time tuition. For students dropping courses resulting in a change from full-time status to part-time status, a fee adjustment in the tuition and fees will result only if the new calculated charges are less than the original charges. Not all drops/withdrawals will result in a fee adjustment.

11. **For institutions utilizing SIS Plus during academic year 2008, a one-year exception is granted for the application of refund**

calculations as specified in A(10) above. These institutions will apply the refund percentages to the difference between the per hour rate (or maximum) for the number of credit hours immediately before the drop or withdrawal and the number immediately afterward as calculated by the SIS Plus program.

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

The ~~refund~~ **fee adjustment** provision for out-of-state tuition is the same as that for maintenance fees. ~~A 75% refund is made for the same period and a 25% refund is made for the same time period.~~ **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, **including the exception for institutions utilizing SIS Plus during academic year 2008.**

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.

OTHER EDUCATIONAL ASSISTANCE PROGRAMS

B-062 Support for Educational Assistance

The Tennessee Board of Regents is committed to the need for the continued professional growth and development of employees. Support for educational assistance of personnel and their dependents is an important vehicle for addressing that need. The programs for TBR employees and dependents are available subject to funds being budgeted and available within the institution/technology center/Central Office. The Office of Human Resources is responsible for the administration of the various programs with the exception of the two programs offered to general state employees and the dependents of licensed teachers and State employees (B-061) and the program for dependants of veteran's (B-062). Exceptions to the provisions of the programs for TBR employees can be made upon recommendation of the president/director and approval by the Chancellor.

Types of Support for Educational Assistance

The guidelines for Educational Assistance (P-130, P-131, B-061, B-062) contain a total of eleven (11) programs. The Programs in P-130 provide benefits to personnel at TBR institutions, Tennessee Technology Centers and the Central Office to further their formal education. The Program in P-131 provides benefits for dependents of TBR employees. The programs in B-061 provide assistance to dependents of veterans and to state employees 65 years of age and older. The programs in B-062 provide assistance to state employees and dependents of public school teachers. The programs are:

P-130 – Educational Assistance for TBR Employees

- I. Faculty or Administrative/Professional Staff Grant-in-Aid Program
- II. Faculty or Administrative/Professional Staff Tuition or Maintenance Fee Reimbursement Program
- III. Employee Audit/Non-credit Program
- IV. Clerical and Support Staff Maintenance Fee Payment Program
- V. Fee Waiver for TBR/UT System Employees Program (PC 191)

P-131 – Educational Assistance for Spouse and Dependents of TBR Employees

- I. Fee Discount for Spouse and/or Dependent Children Program

B-061 – Educational Assistance for State Employees and Dependents of State

Employees or Public School Teachers

- I. Public Higher Education Fee Waiver for State Employees Program
- II. Fee Discount for Dependent Children of Licensed Public School Teachers or State Employees Program

B-062 – Other Educational Assistance Programs

- I. Veterans’ Dependents’ Post-Secondary Education Program
- II. Age 65 or Above Program

Complete eligibility information is contained within each Guideline.

Taxation of Educational Assistance Programs

Undergraduate and graduate course tuition, ~~up to \$5250 per year~~, paid by the Tennessee Board of Regents institutions and the University of Tennessee System for their employees is eligible for exclusion from the employees' gross annual income, in accordance with Internal Revenue code (IRC) Section 127.

I. Veterans’ Dependents’ Post-Secondary Education Program

Effective July 1, 2000, TCA §49-7-102 was amended to provide that: “every dependent child in this state under the age of twenty-one (21) years, whose parent (father or mother) was killed, died as a direct result of injuries received, or has been officially reported as being either a prisoner of war or missing in action while serving honorably as a member of the United State armed forces during a qualifying period of armed conflict, **or was formerly a prisoner of war or missing in action under such circumstances**, or the spouse of such veteran, is entitled to a waiver of tuition, and/or maintenance fees, and/or student activity fees and/or required registration or matriculation fees, and shall be admitted without cost to any institutions of higher education owned, operated and maintained by the state.” Therefore, this program is available to both TBR employees and persons outside of the Tennessee Board of Regents system. TBR employees qualifying as a spouse or dependent for benefits under this program shall use this program first and shall not be simultaneously eligible for benefits under other programs in this guideline. Exceptions: Grant-in-Aid and Desegregation Program recipients.

A. Eligibility

The office responsible for veteran’s affairs issues shall be responsible for determining eligibility and providing application forms to those wishing to obtain benefits under this program.

1. To be eligible for educational assistance benefits under this program, a dependent child or spouse shall:
 - a. Present official certification from the United States Department of Veterans Affairs that the parent or spouse veteran was killed or died as a direct result of injuries as stated above *or*
 - b. Present official certification from the U.S. Department of Defense that the parent or spouse service member has been officially reported as being a prisoner of war or missing in action while serving honorably during a qualifying period of armed conflict; *or*
 - c. Present Certificate of Release of Discharge from Active Duty, Department of Defense Form 214, for the veteran or service member from whom the eligibility for the benefits derives.
2. The deceased veteran, prisoner of war or missing in action service member shall have been a citizen of Tennessee at the time of the qualifying event.
3. The dependent child or spouse, prior to receiving benefits under this program, shall have or possess the necessary qualifications required for admission. To maintain eligibility, the recipient shall be in active pursuit of a specific and declared degree or certificate program.
4. No dependent child or spouse shall be entitled to receive benefits after the conclusion of any term during which the parent (father or mother) of the dependent child or spouse is officially removed from the status of being a prisoner of war or being a service member missing in action.
5. Eligibility of a veteran's spouse for benefits shall terminate ten (10) years after the death of the veteran; however, eligibility shall terminate immediately upon the spouse's remarriage within this period. The spouse's eligibility shall extend to the end of the term in which the ten (10) year period expires. A spouse who has previously earned an undergraduate degree or certificate shall not be eligible for benefits. Otherwise, the spouse shall be eligible for benefits until one of the following occurs:
 - a. Prior to the expiration of benefits, the spouse earns ~~and an~~ undergraduate degree or certificate; *or*
 - b. The spouse has accumulated one hundred fifty (150) semester hours, or the equivalent; *or*

- c. The spouse has maintained a full-time enrollment of at least fifteen (15) semester hours, or the equivalent, for ten (10) semesters, or the equivalent.
- 6. A dependent child shall be matriculated as a full-time student at a state institution of higher education prior to attainment of age twenty-one (21). However, the age limitation of dependent children shall not be strictly applied. Once declared eligible, a dependent child shall remain eligible until one of the following has occurred:
 - a. Prior to attaining age 21, the dependent earns an undergraduate degree or certificate; *or*
 - b. The dependent has accumulated one hundred fifty (150) semester hours, or the equivalent; *or*
 - c. The dependent has maintained a full-time enrollment of at least fifteen (15) semester hours, or the equivalent, for ten (10) semesters, or the equivalent.
- 7. For purposes of this program, the following definitions are provided:
 - a. “Dependent Child” means a natural or adopted child of a veteran or service member who is claimed as a dependent for income tax purposes.
 - b. “Parent (father or mother)” means the parent of a natural or adopted child whom such parent claims as a dependent for federal income tax purposes.
 - c. “Qualifying period of armed conflict” means any hostile military operation for which the following U.S. military campaign medals are authorized:
 - (1) Armed Forces Expeditionary Medal; *or*
 - (2) Southwest Asia Service Medal with at least one (1) bronze star appurtenance for specific military_campaign participation by the veteran; *or*
 - (3) Vietnam Service Medal with at least one (1) bronze star appurtenance for specific military campaign participation.
 - d. “Service member” means a Tennessee resident who is engaged in active U.S. military service.

- e. “Served honorably” means the character of service condition as reported on Certificate of Release or Discharge from Active Duty (Department of Defense Form 214);
- f. “State institution(s) of higher education” means any post secondary institution operated by the Board of Trustees of The University of Tennessee system or the **Tennessee** Board of Regents of the state university, community college and area-technology center system that offers courses of instruction leading to a certificate or degree; and
- g. “Veteran” means a Tennessee resident who has entered and served honorably in the U.S. armed forces.

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

- 1. The participant is entitled to a waiver of tuition and/or maintenance fees, and/or student activity fees, and/or required registration or matriculation fees, and shall be admitted without cost to any TBR institution and/or technology center.
- 2. A full-time student load (15 semester hours or equivalent) is required.

C. Payback Provisions

None

D. When the Participant May Attend

Students may apply for benefits during the next registration or enrollment period for the next complete term after July 1, 2000.

E. Accounting/Budgeting

- 1. Any fees waived by statute that are calculated and credited to revenue for administration purposes should be written off against a contra revenue account.
- 2. No expenditures should be charged to scholarships and fellowships.

F. Where the Participant May Attend

Any public institution of higher education in Tennessee

II. Employees 65 Years and Above Program

In accordance with TCA §49-7-113 and TBR Guideline B-060, regular and temporary employees who are or will be age 65 during a quarter or semester and who also reside in Tennessee are eligible to enroll in courses at a reduced rate (See Section IX.B.)

A. Eligibility

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

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

1. A fee of \$75 per semester or \$50 per quarter may be assessed for credit courses. (This fee includes maintenance fees, student activity fees, technology access fees, and registration fees; it does not preclude an application fee, late fee, change-of-course fee, parking fee, etc.)
2. Employees shall enroll in credit courses on a space-available basis.
3. There is no limit on the number of courses that may be taken during a semester.
4. The institution where the employee/retiree is attending classes will provide forms for processing fees waived or assessed.

C. Payback Provisions

None

D. When the Participant May Attend

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

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

E. Accounting/Budgeting

1. Any fees waived by statute that are calculated and credited to revenue for administration purposes should be written off against a contra revenue account.
2. No expenditures should be charged to scholarships and fellowships.

F. Where the Participant May Attend

Employees may enroll at any public Tennessee institution.

Source: Presidents Meeting February 7, 2006; Presidents Meeting November 8, 2006

SUBJECT: Lead Institutions

Each community college and technical institute governed by the State Board of Regents serves as the lead institution for a geographical area designated by the Board as the institution's primary service area. As outlined below, the lead institution's general responsibilities include program planning within its primary service area, as well as providing administrative assistance to the technology centers within its designated area. There is no plan on the part of the Board of Regents to merge TTCs with lead institutions. The role of the lead institution is that of facilitator; budget management, program management, and personnel management is the responsibility of the TTC. Additional lead institution responsibilities may be specified by the Board or Chancellor to ensure effective program coordination and operations management within the primary service areas.

Program Planning

The lead institution is responsible for coordinating the development and delivery of vocational-technical, career, and job training programs and support services in its primary service area. To fulfill this responsibility, the general objectives of the lead institution, in cooperation with the technology centers, are to meet the needs within its service area for: (1) occupational and academic diagnostic services; (2) developmental education in the basic skills; (3) job/vocational education and occupational training; (4) special business and industrial training; (5) technical education at the sub-baccalaureate collegiate level or the non-collegiate entry level; (6) job placement and counseling; (7) college transfer (community college only); and (8) continuing education and community service. The Board staff shall provide assistance to the lead institutions and area schools in developing such plans as the Job Training and Coordination Plan and programs as may be necessary to provide, cause to provide, or recommend the provision of appropriate levels of sub-baccalaureate education and training services.

Administrative Services

The lead institution administrative service responsibility will include accounting, budgeting, purchasing, personnel, and student records. For the performance of these services, the TTC will reimburse the lead institution for services on the basis of student enrollment and consideration of cost to provide such services. Charges for services provided by the lead institution will be evaluated annually. Effective coordination of services from the lead institution to the TTC will require regularity of meeting and communication. At a minimum, it is expected that representatives of both parties meet no less than quarterly to review status of services and required reporting to the Board. Following is a summary of minimum services provided:

- (1) Accounting and Budgeting - The lead institution provides support and guidance in budget development and revisions as per Board policies and guidelines. In addition, monthly revenue and expenditure reports will be provided to each TTC. These reports

will be reconciled by the TTC no later than the 20th day of the following month. The operating account maintained at the TTC will be reconciled by the TTC with the lead institution, at a minimum, monthly. Annual financial reports will be prepared by the lead institution. The annual report will be presented to the TTC prior to submittal to the Board Office. Problems encountered in accounting, budgeting, and fiscal management, if not resolved at the local level, should be reported to the Vice Chancellor for Tennessee Technology Centers. Any request for approval of a budget revision, involving adjustments from one functional area to another, must be transmitted to the Chancellor.

(2) Purchasing - The lead institution will purchase supplies and equipment from specifications provided by the TTC. The TTC will maintain an operating account, not to exceed ~~\$15,000~~ **\$25,000**, for purchasing supplies and materials at the local level. The TTC may bid items at the local level to limits established by TBR and Lead Institution purchasing policies and procedures. These accounts will be reconciled by the TTC on a monthly basis with the lead institution. The lead institution will maintain an equipment inventory for the TTC after the director has certified the accuracy and presence of items in the inventory on an annual basis.

(3) Personnel - The lead institution will provide support in hiring personnel, maintaining personnel records, including required reports to the Board and other external agencies, and performing the payroll for the TTCs. In hiring personnel, the role of the lead institution is to provide support in developing, distributing, and/or advertising position announcements, and monitoring affirmative action procedures. The responsibility for selecting personnel is with the TTC director, subject to Board policies and guidelines relating to the district classification/compensation plans, faculty salary ranges, and availability of funds in the budget. New positions not included in the budget, must be approved in advance by the Chancellor. The lead institution and TTC shall mutually agree on which entity actually prepares and submits reports on personnel records, including leave, payroll deductions, longevity pay, affirmative action, EEO reports, and Board-approved benefits. The TTC will follow the affirmative action plan of the lead institution unless it has in place a plan approved by the Board legal counsel.

(4) Student Records - The lead institution will maintain records and provide reports to the TTCs and the Board on required student information. The TTC has the responsibility to provide to the lead institution student data in the prescribed format for processing.

(5) Student Financial Aid - The lead institution will provide guidance to the TTC staff on financial aid program operations, assist in processing payment approval documents, prepare award checks and forward them to the TTC, maintain required accounting records, and accept and maintain records on repayments collected by the TTC. The TTC will maintain individual student financial aid records, forward appropriate payment approval documents to the lead institution, and disburse checks to students. The lead institution will complete appropriate reports requiring financial aid fiscal records for the TTC from information furnished by the TTC.

(6) Institutional Research - The lead institution performs various research activities for the TTC. These activities will include, but are not limited to, the following:

- (a) Assist in preparation and justification for new program proposals.
- (b) Provide assistance and support for annual Facilities Inventory and Capital Improvements requests.
- (c) Provide assistance with the preparation of the Annual Report.
- (d) Provide support and direction for the Lead Institution Job Training Coordination Plan and annual update.
- (e) Provide support and guidance for the TTC Five-Year Strategic Plan and annual updates.
- (f) Assistance and guidance with preparation of the Budget Summary and Analysis.

Source: November 14, 1984 SBR presidents meeting and November 16, 1984, AVTS Sub-Council meeting. Revised: August 16, 1988, Presidents Meeting; September 22, 1989 (Result of Change Made to Purchasing Policy); August 25, 1998 Presidents Meeting; February 11, 2003 Presidents Meeting; November 12, 2003 TTC Directors' Sub-Council meeting.

PRESIDENTS/DIRECTORS QUARTERLY

DATE: August 13, 2007

AGENDA ITEM: **Military Leave Policy 5:01:01:04**

ACTION: Information Only

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

Effective July 1, 2007, Public Chapter 360 increased the paid military leave time from 15 to 20 working days in a year. The payroll procedures have been changed to reflect the 20 day change. The Human Resources Officers Committee and the Business Office Sub-Council recommend the revision.

The Military Leave policy will also be changed from 15 to 20 days after review and clarification of insurance and other benefits based on the attached payroll provisions.

Procedures for Military Leave of Absence with Benefits Military Pay Less - With Salary Supplement

In conjunction with TBR policy 5-01-01-04, the following procedures have been developed to provide guidance when processing employees who are eligible for military leave associated with Operation Enduring Freedom.

NOTE:

- All employees called to active duty must provide a copy of their impending orders and proof of military pay.
 - Eligible employees will be paid 20 days pursuant to TBR policy 5-01-01-04.
 - Employees are eligible to request the use accumulated annual leave beyond the 20 days paid military leave, but the request must be made in advance and should run consecutively with the 20 days of paid military leave.
 - Banner codes and rule form set-up may vary from institution to institution causing the steps below to require individual revision.
 - Institutions should create a military leave earnings code that should mirror 010 earnings code rules.
1. During the 20 days of paid military leave, the assignment on NBAJOBS should remain active and no entries are necessary. The military leave should be reported following institutional guidelines regarding leave.
 2. NBAJOBS
 - a. Enter employee ID, position number, suffix number and page down to next block.
 - b. Under the options tab, click Add/Change with new effective date. This date will be effective on the day after the 20 days of paid military leave.
 - c. Use drop down tab on status and change status to Leave with pay/with benefits.
 - d. Under Change reason, change reason to LWPY
 - e. Under assigned salary, enter the salary supplement due to employee.
 - f. **Optional:** Add/Change with new effective date to end the leave with pay/with benefits and set back up regular assignment (if end date known).
 3. PEAEMPL
 - a. Page down into form using next block function.
 - b. Use drop down tab and change employee status to leave with pay/with benefits.
 - c. Click on Leave of Absence box and enter ML as leave of absence reason with begin date and end date if known in Leave of Absence box. If end date unknown, leave blank.
 4. PDAEDN – These steps must be done each month while employee is on Military Leave of Absence.

- a. Enter applicable retirement code and page down into form using next block function.
 - b. Click on the add/replace tab and select the replace button.
 - c. Enter the correct employer amount, applicable gross and correct payroll ID. The amounts used would be the normal employer amount paid monthly and the employee gross pay during a normal month. This is the amount that will be reported to the retirement vendor.
5. If supplement pay is enough to cover all deductions, no other steps are necessary.
6. If supplement pay is not enough to cover all deductions, add additional pay on PHAHOUR under military earnings code.
7. PHAHOUR – This step will need to be done each month while employee is on military leave of absence. NOTE: A special military earnings code will need to be established at the institution for this step.
 - a. At disposition of 40 on the payroll.
 - b. Enter current year, payroll ID and current month and move into form using next block function.
 - c. Arrow down to next blank line.
 - i. enter military earnings.
 - ii. tab to Hours or Units and enter 1.
 - iii. enter estimated amount in special rate.
 - iv. save
 - d. Any changes to PHAHOUR will drop the disposition back to 20.
 - e. Rerun proof, leave and calc to recalculate. This will bring the disposition back to 40.
8. Verify that all deductions and correct retirement amount processed on PHICHEK.
 - a. If a deduction does not process, there may need to be an adjustment to your military earnings amount.

Procedures for Military Leave of Absence with Benefits Military Pay Greater – No Salary Supplement

In conjunction with TBR policy 5-01-01-04, the following procedures have been developed to provide guidance when processing employees who are eligible for military leave associated with Operation Enduring Freedom.

NOTE:

- All employees called to active duty must provide a copy of their impending orders and proof of military pay.
 - Eligible employees will be paid 20 workdays pursuant to TBR policy 5-01-01-04.
 - Employees are eligible to request the use accumulated annual leave beyond the 20 days paid military leave, but the request must be made in advance and should run consecutively with the 20 workdays of paid military leave.
 - Banner codes and rule form set-up may vary from institution to institution causing the steps below to require individual revision.
 - Institutions should create a military leave earnings code that should mirror 010 earnings code rules.
1. During the 20 days of paid military leave, the assignment on NBAJOBS should remain active and no entries are necessary. The military leave should be reported following institutional guidelines regarding leave.
 2. NBAJOBS
 - a. Enter employee ID, position number, suffix number and page down to next block.
 - b. Under the options tab, click Add/Change with new effective date. This date will be effective on the day after the 20 days of paid military leave.
 - c. Use drop down tab on status and change status to Leave with pay/with benefits. Leave with pay/with benefits must be used in order to process deductions. Leave without pay/with benefits will not allow pay to cover deductions.
 - d. Under Change reason, change reason to LWOP.
 - e. **Optional:** Add/Change with new effective date to end the leave with pay/with benefits and set back up regular assignment (if end date known).
 3. PEAEMPL
 - a. Page down into form using next block function.
 - b. Use drop down tab and change employee status to leave with pay/with benefits.
 - c. Click on Leave of Absence box and enter ML as leave of absence reason with begin date and end date if known in Leave of Absence box. If end date unknown, leave blank.

4. PDADEDN – These steps must be done each month while employee is on Military Leave of Absence.
 - a. Enter applicable retirement code and page down into form using next block function.
 - b. Click on the add/replace tab and select the replace button.
 - c. Enter the correct employer amount, applicable gross and correct payroll ID. The amounts used would be the normal employer amount paid monthly and the employee gross pay during a normal month. This is the amount that will be reported to the retirement vendor.

5. Calculate cost of all deductions to be paid and estimate pay. (See Attachment A for Example)

6. PHAHOUR – This step will need to be done each month while employee is on military leave of absence. NOTE: A special military earnings code will need to be established at the institution for this step.
 - a. At disposition of 40 on the payroll.
 - b. Enter current year, payroll ID and current month and move into form using next block function.
 - c. Arrow down to next blank line.
 - i. enter military earnings.
 - ii. tab to Hours or Units and enter 1.
 - iii. enter estimated amount in special rate.
 - iv. save
 - d. Click on 010 earning and delete
 - i. To delete, click on Record in the top tool bar, select remove and when prompted to continue select yes.
 - e. Any changes to PHAHOUR will drop the disposition back to 20.
 - f. Rerun proof, leave and calc to recalculate. This will bring the disposition back to 40.
 - g. Go to PHICHEK and verify net amount (which should be zero) and adjust if necessary.
 - i. If you need to change the amount, go back to PHAHOUR and change the military earnings and recalculate using step f above.
 - ii. The net pay (if any) is what you would reduce your military earnings by. If the net is a negative, you would increase the military earnings by the negative amount. Usually, one adjustment will work.

7. Verify that all deductions and correct retirement amount processed on PHICHEK.
 - a. If a deduction does not process, there may need to be an adjustment to your military earnings amount.

PRESIDENTS/DIRECTORS QUARTERLY

DATE: August 13, 2007

AGENDA ITEM: **Revision to TBR Policy 5:01:01:14 –
Family Medical Leave Act**

ACTION: Requires Vote

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

The Family Medical Leave Act TBR Policy 5:01:00:14 has been reviewed for compliance to the Uniformed Services Employment and Reemployment Rights Act regulations. The FMLA policy is in accordance with USERRA. The Military Leave Policy, however, is very clear on the eligibility requirement for FMLA leave, and the Benefits committee recommended that we include a statement that says “refer to the Military Leave Policy 5:01:01:04”. The Military Leave Policy indicates that the period of absence while on leave shall count toward the minimum twelve (12) month and 1, 250 hours required that an employee work for eligibility for leave under the Family Medical Leave Act. A reference to the Military Leave Policy has been added to the FMLA Policy. The Human Resources Officers Committee and the Business Office Sub-Council recommend the revision.

POLICY NO. 5:01:01:14

SUBJECT: Family and Medical Leave

In compliance with the Family Leave Act of 1993, it is the policy of the Tennessee Board of Regents to provide eligible male and female employees up to twelve workweeks of leave during a twelve month period for specified family and medical reasons, to provide continued health insurance coverage during the leave period and to insure employee reinstatement to the same or an equivalent position following the leave period. For purposes of this policy, "State" shall be defined as any State agency, the Tennessee Board of Regents System, and/or the University of Tennessee System.

I. Employee Eligibility

A. In order to be considered "eligible" under Family Medical Leave Act (FMLA or the Act) guidelines, an employee must (1) have worked for the State for at least 12 months and (2) have worked at least 1,250 hours during the year preceding the start of the leave.

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B. The determination of whether an employee meets the eligibility criteria for receiving FMLA leave is based on the amount of service (including prior service) possessed by the employee as of the date the leave actually begins. The period of absence while on military duty shall count toward the minimum twelve (12) months and 1,250 hours required that an employee work for eligibility for leave under the Family Medical Leave Act. See **Military Leave Policy 5:01:01:04** for more information.

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C. This policy includes both regular and temporary employees. However, the institution/technology center/Central Office is not obligated to restore an employee hired for a specific term or to complete a project.

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D. The right to take FMLA leave applies equally to male and female employees.

E. This policy contains no exceptions for "key employees" (e.g., a salaried FMLA-eligible employee who is among the highest paid 10 percent of all the employees of the institution/technology center/Central Office).

The 12 months of required work with the State do not have to be consecutive in order for an employee to be eligible. If an employee is maintained on the payroll for any part of a week, that week is considered a week of employment, with 52 weeks of such employment considered equal to 12 months.

In determining "hours worked" for the purposes of FMLA eligibility, all hours actually worked by an employee (including overtime hours) should be calculated. Annual and sick leave hours which have been used during the 12-month period preceding the start of the leave are not counted as hours worked. In situations where an employee is considered "exempt" from the overtime provisions of the Fair Labor Standards Act (FLSA) and no record of overtime hours worked has been maintained, the employee is presumed to have met the 1,250 hour requirement if he/she has worked for the State for at least twelve months. For purposes of this policy, full-time faculty satisfy the 1,250 hour test.

The determination of eligibility must be made as of the date the leave commences or within two business days (absent extenuating circumstances) of when notification of an FMLA qualifying event has been received. If an employee gives notice that leave is required before he/she meets the eligibility criteria, he/she must either be (1) provided with confirmation of when eligibility will be attained, based upon a projection, or (2) be advised when the criteria have been met. Eligibility that is confirmed at the time the notice is received may not be subsequently challenged. In the latter case, the notice of leave will remain current and outstanding until the employee is advised that eligibility has been attained. If notice of leave has been given and confirmation of eligibility is not given prior to commencement of the leave, the employee is deemed eligible; FMLA leave may not be denied. In addition, if notice of the need for leave has not been given more than two business days prior to commencement of the leave, a determination of eligibility must be confirmed within two business days following notice. If such a determination is not provided, the employee will be considered eligible.

Leave requests for regular employees who do not satisfy the FMLA eligibility requirements shall be processed in accordance with the appropriate Tennessee Board of Regents leave policies.

II. Leave Entitlement - FMLA Qualifying Events

A. The birth of a son/daughter and to care for the newborn child;

In addition to leave taken after the birth of a child, FMLA leave may be taken by an expectant mother for the purpose of prenatal visits, pregnancy-related symptoms, and in situations where a serious health condition prevents her from performing her job duties prior to the child's birth.

B. The adoptive or foster care placement of a son or daughter with the employee;

FMLA leave may be taken prior to an adoptive or foster care placement if the leave is necessary for the placement to proceed. This would include granting leave for required counseling sessions, court appearances, and legal or medical consultations.

Adoption: There is no requirement in the Act that the source of an adoption be from a licensed adoption agency in order for an employee to be eligible for FMLA leave. (See Section II, C, for age limitations for son/daughter.)

Foster Care: This is defined as "24-hour care for children in substitution for, and away from, their parents or guardian." The Act requires that this placement be made by or in agreement with the State and that State action be involved in the removal of the child from parental custody. Foster care may include children of relatives placed within the employee's home by the State.

C. To care for the employee's spouse, son, daughter, or parent with a serious health condition, as defined below:

Spouse: Husband or wife as defined or recognized under Tennessee law for purposes of marriage.

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Parent: Biological parent or an individual who currently stands or stood in place of an absent parent to an employee when the employee was a child as defined in son/daughter below. The definition does not include parents-in-law.

Son/Daughter: Biological, adopted, foster child, stepchild, legal ward, or child of a person standing in place of an absent parent, who is either under age 18 or age 18 or older and "incapable of self-care because of a mental or physical disability."

An individual "incapable of self-care" means that the individual requires active assistance or supervision in performing 3 or more activities of daily living.

An individual with a "physical or mental disability" means that the individual has an impairment that substantially limits one or more of the major life activities of an individual. Regulations at 29 CFR Part 1630, issued by the Equal Employment Opportunity Commission under the Americans with Disabilities Act (ADA), 42 U.S.C. 12101 et seq., define these terms.

For purposes of confirmation of family relationship, the president/director/Chancellor/or his/her designee (hereafter referred to as "Designator") may require the employee giving notice of a need for leave to provide reasonable documentation or statement of family relationship. This documentation may take the form of a simple statement from the employee, a birth certificate, a court document, etc. After examination, the employee is entitled to the return of the official document.

D. The employee has a serious health condition resulting in his/her inability to perform job functions.

An employee is unable to perform the functions of his/her position if the health care provider finds that he/she is (1) unable to work at all or (2) is unable to perform any one of the position's essential functions within the meaning of the American with Disabilities Act (ADA), 42, USC 12101 et seq., and the regulations at 29 CFR Sec. 1630.2(n). For FMLA purposes, the essential functions must be determined with reference to the employee's position when the notice is given or the leave commenced, whichever is earlier.

An employee absent from work to receive medical treatment for a serious health condition is considered to be unable to perform the essential functions of the position during the absence for treatment. The Designator may provide a copy of the essential functions of the employee's position for the health care provider to review when requiring certification.

III. FMLA definition of "a serious health condition"

The FMLA defines a "serious health condition" as an illness, injury, impairment, or physical or mental condition involving any of the following:

A. A period of incapacity (inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment, or recovery) or treatment

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connected with inpatient care (e.g., overnight stay) in a hospital, hospice or residential medical care facility.

B. Continuing treatment by a health care provider (hereafter referred to as "HCP"). A serious health condition involving continuing treatment by an HCP includes any one or more of the following:

(1) A period of incapacity of more than 3 consecutive days and any subsequent period of treatment or period of incapacity relating to the same condition that also involves:

(a) Treatment two or more times by an HCP, nurse, or physician's assistant under direct supervision of an HCP, or by a provider of health care services (e.g., physical therapist) under orders of, or on referral by, an HCP; or

(b) Treatment by an HCP on at least one occasion which results in a regimen of continuing treatment under the supervision of a health care provider.

(2) Any period of incapacity due to pregnancy/prenatal care, does not require treatment from a health care provider for each absence (e.g., morning sickness).

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(3) Any period of incapacity or treatment for such incapacity due to a chronic serious health condition which may be defined as one which:

(a) Requires periodic visits for treatment by any of the HCP's listed Section IV. (b) Continues over an extended period of time (including recurrent episodes of a single underlying condition). (c) May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.) Such conditions require the continuing care of an HCP but do not always require active medical treatment.

C. A period of incapacity which is permanent or long-term due to a condition for which there may be no effective treatment (e.g., Alzheimer's, severe stroke, or terminal stages of a disease.) Employee does not have to be receiving active treatment but must be under the continuing care of an HCP.

D. Any period of absence to receive multiple treatments (including any period of recovery there from) by a health care provider either for restorative surgery after an accident/injury or for condition that would likely result in a period of incapacity of more than three consecutive calendar days without intervention or treatment, such as cancer (chemotherapy, radiation, etc.), severe arthritis (physical therapy), kidney disease (dialysis).

Treatment of a serious health condition includes (but is not limited to) examinations to determine the existence of such condition and to evaluate the condition. However, treatment does not include routine physical, eye, or dental examinations. A regimen of continuing treatment may include a course of prescription medication (e.g., antibiotics) or therapy requiring special equipment to resolve or alleviate the condition (e.g., oxygen). It does not include taking over-the-counter medications, bed rest, drinking fluids, exercise, etc. initiated without a visit to an HCP.

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The following conditions do not usually meet the definition of a serious illness unless hospitalization or complications occur: cosmetic surgery, common colds, flu, ear aches, upset stomach, minor ulcers, headaches other than migraine, and routine dental/orthodontia/periodontal conditions.

Restorative dental surgery, plastic surgery after an injury or removal of cancerous growths, and mental illness resulting from stress or allergies may qualify as serious health conditions only if all the other conditions of the definition are met.

Substance abuse may be a serious health condition if all the other conditions of the definition are met. However, FMLA leave may be taken only when treatment for the substance abuse is being provided by an HCP or a provider of health care services on referral by an HCP.

IV. FMLA definition of a "Health Care Provider" (HCP)

A "health care provider" includes the following: (1) A doctor of medicine or osteopathy authorized to practice medicine or surgery (as appropriate) by the state in which the doctor practices; (2) any other person determined by the U.S. Secretary of Labor to be capable of providing health care services.

Others "capable of providing health care services" include only:

(1) podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist) authorized to practice under state law and performing within the scope of their practice as defined under state law;

(2) nurse practitioners, nurse midwives, and clinical social workers authorized to practice under state law and performing within the scope of their practice as defined under state law; (3) Christian Science practitioners listed with the First Church of Christ Scientist in Boston, Massachusetts. Employees receiving treatment from a Christian Science practitioner may not object to any requirement by the Designator to submit to examination (not treatment) to obtain a second or third certification from an HCP other than a Christian Science practitioner except as otherwise provided under applicable State or local law.

(4) Any HCP from whom an employer or the employer's group health plan's benefits manager will accept certification of a serious health condition to substantiate a claim for benefits.

(5) An HCP listed above who practices in another country, other than the United States, who is authorized to practice in accordance with the law of that country, and who is performing within the scope of his or her practice as defined under such law.

The phrase "authorized to practice in the State" as used in this section means that the provider must be authorized to diagnose and treat physical or mental health conditions without supervision by a doctor or other HCP.

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V. Determination of the 12 Work Week Period for FMLA

A. Limitations on Length and Duration

1. The right to take FMLA leave began on August 5, 1993, the effective date of the Family and Medical Leave Act. Any leave taken prior to that time could not be counted against an employee's twelve week entitlement for the year.

2. Eligible employees are entitled to up to a total of twelve workweeks of leave during a twelve month period. The initial twelve month period starts on the date the employee's FMLA leave first begins. A new twelve month period would begin the first time FMLA leave is taken after completion of any previous twelve month period. For example, an employee who first uses FMLA leave on October 7, 1993, would have their twelve month period begin on that date and continue through October 6, 1994. If this employee subsequently needed to use FMLA leave starting on December 2, 1994, a new twelve month period would be established from that date forward through December 1, 1995.

3. If the current method for defining twelve work weeks in a twelve-month period is changed, employees shall be given a 60-day notice. The transition shall afford the full benefit of 12 weeks under whichever method affords the greatest benefit to the employee. New methods may not be implemented to circumvent the FMLA's leave requirements.

4. A holiday that occurs within the week taken as FMLA leave has no effect; the week is counted as a week of FMLA leave. Exception: If the institution/technology center/Central Office is temporarily closed for work for one or more weeks (e.g., closing for the Christmas/New Year holiday, summer breaks), those days do not count as FMLA leave.

B. Limitations on FMLA leave entitlement for the birth of a child or adoption or foster care placement

Leave entitlement for the birth or for adoption or foster care placement expires at the end of the twelve month period beginning on the date of the birth or placement. FMLA leave for these reasons must be concluded within this time period.

C. FMLA leave limitations when both spouses are State employees

1. Spouses who are both employees of the State are limited to a combined total of twelve weeks of FMLA leave during a twelve month period if the leave is taken for the following reasons: (1) birth of a child or for care of the child after birth; (2) adoptive or foster care placement of a son or a daughter or for care of the child after placement; or (3) to care for a parent (not a parent-in-law) with a serious health condition.

2. In situations where both the husband and wife use a portion of FMLA leave for one of the reasons listed in the previous paragraph, each spouse is entitled to the difference between the amount he/she has taken individually and twelve weeks of FMLA leave for reasons other than those listed. For example, if both spouses use six weeks of leave for the birth of a child, each could take an additional six weeks of leave for personal illness, or to care for a family member with a serious health condition. In situations where FMLA

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leave is not taken due to birth, adoption, foster care, or to care for a parent during a given year, each spouse is entitled to a full twelve workweeks of leave.

3. If one spouse is ineligible for FMLA leave, the spouse who meets the eligibility requirement is entitled to 12 workweeks of FMLA leave.

D. Use of an intermittent or reduced leave schedule

"Intermittent Leave" is leave taken in separate blocks of time due to a single qualifying reason and may include leave periods from an hour to several weeks. A "reduced leave schedule" reduces an employee's usual number of working hours per work-day or work-week.

An employee may take intermittent FMLA leave or have a reduced leave schedule over a twelve month time period when medically necessary for (1) planned and/or unanticipated medical treatment of a serious health condition by or under the supervision of an HCP, (2) recovery from the condition, or (3) recovery from treatment of the condition. An employee may also take intermittent leave or request a reduced schedule to provide care to an immediate family member with a serious health condition. Employees may not use intermittent FMLA leave following the birth of a child or adoptive or foster care placement for any reason other than medical necessity.

Intermittent leave or a reduced schedule may also be used for absences where the employee or family member is incapacitated or unable to perform the position's essential functions due to a chronic serious health condition even if treatment is not rendered by a health care provider.

If an employee requests intermittent leave or leave resulting in a reduced work schedule, the Designator may require that the employee transfer temporarily to another position for which the employee is qualified and which better accommodates the employee's need for recurring leave periods. Transfer to an alternative position may include altering an existing job to better accommodate the employee's need for intermittent or reduced leave. This temporary position must have equivalent pay and benefits, but need not have equivalent duties. For information regarding benefits (e.g., insurance and longevity) not ordinarily provided to part-time employees that may not be eliminated, see Section XIII.

An employee may not be transferred to an alternative position in an effort to discourage use of FMLA leave or otherwise work a hardship on the employee (e.g., a day-shift employee may not be reassigned to a later shift).

When an employee who transferred to an alternative position is able to return to full-time work, he/she shall be placed in the same or equivalent position as the job he/she had when the leave commenced. He/she cannot be required to take more FMLA leave than the circumstance for the leave requires.

VI. Time limitations regarding the designation of leave as FMLA leave

In all circumstances, the Designator is responsible for designating leave, paid or unpaid, as FMLA-qualifying and to notify the employee of the designation. For intermittent leave

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or a reduced schedule, only one notice is required unless changes occur regarding the circumstances pertaining to the leave.

Unless there are extenuating circumstances, the Designator must notify the employee within two (2) business days of being notified of a need for FMLA leave.

The designation must be based only on information provided by the employee or the employee's spokesperson (e.g., if the employee is incapacitated, the employee's spouse, adult child, parent, doctor, etc.).

Designation of FMLA leave must be made before the leave starts unless there is insufficient information to make a determination. If the Designator has the requisite knowledge to designate FMLA leave at the time the employee gives notice or commences leave, fails to make the designation, and does not notify the employee, he/she may not designate FMLA leave retroactively. FMLA leave may be designated only prospectively as of the date the employee is notified. None of the absence prior to the notification may be counted against the employee's 12 work week entitlement.

Leave may not be designated as FMLA leave after the employee has returned to work with two (2) exceptions:

(1) If it was not known by the Designator that the employee was absent for an FMLA reason until he/she returned to work (e.g., brief absence of employee), the Designator may notify the employee within two (2) business days that the designation has been made retroactively. If leave was taken for an FMLA reason and has not been designated accordingly, the employee must notify the Designator within two (2) days of returning to work. Without such timely notification, the employee may not assert FMLA protection for the absence.

(2) If the Designator knows the reason for the leave but does not have confirmation or has not received requested certification, or is in the process of obtaining an additional medical opinion, he/she should make a preliminary designation and notify the employee at the time the leave begins or as soon as the reason is known. Upon receipt of the requisite information confirming the absence was for an FMLA reason, the preliminary designation becomes final. The designation is withdrawn if the medical certification(s) fail to confirm the absence was for an FMLA reason.

VII. Designation of paid and unpaid leave toward the employee's twelve week leave entitlement

The Designator of the institution/technology center/Central Office is responsible for designating paid and unpaid leave as FMLA qualifying leave. The designation is contingent upon whether or not the employee has accumulated leave balances. An employee with no accumulated sick or annual leave balances must take his/her leave as unpaid. An employee who has an accumulated sick and annual leave balance must use this accumulated leave during a period of FMLA leave before going on leave without pay unless otherwise stipulated in other TBR leave policies. Therefore, TBR leave policies and the FMLA leave policy shall run concurrently and not consecutively. For information

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regarding reinstatement rights if additional leave is used beyond the 12 workweek FMLA entitlement, see Section XIV.

If a worker's compensation injury/illness meets the criteria for a serious health condition, the worker's compensation absence and the FMLA leave entitlement shall also run concurrently.

Compensatory time is not a form of accrued leave. However, an employee may request to use compensatory time for an FMLA qualifying event. If it is used in accordance with regulations, 29 CFR 553.25, the absence which is paid with compensatory time may not be counted against the FMLA leave entitlement.

In any circumstance where the Designator does not have sufficient information about the reason for an employee's use of paid leave, he/she should make further inquiry of the employee or spokesperson to ascertain whether or not it is potentially FMLA-qualifying. See the Request for Family and Medical Leave Form - Attachment A.

If there is a dispute as to whether or not paid leave qualifies as FMLA leave, it should be resolved through discussions between the employee and the designator. Such discussions and the decision must be documented.

Notification that paid leave has been designated as FMLA leave may be oral or written; however, oral notifications must be followed up in writing no later than the following payday. Exception: If the payday is less than one week after the oral notice, the written notification must be made by the subsequent payday. The written notice may be in any form, including a notation on the employee's pay stub.

If an employee requesting to use paid leave for an FMLA-qualifying purpose does not explain the reason for the leave-consistent with the institution's/technology center's/Central Office's practice - and the request is denied, the employee must provide sufficient information establishing an FMLA-qualifying reason for the request to be approved. Employees using paid leave who seek an extension of unpaid leave for an FMLA-qualifying reason will need to state the reason. If this is due to an event which occurred during the period of paid leave, the leave used after the FMLA-qualifying event will be counted against the 12 workweek entitlement and will be paid/unpaid in accordance with the provisions of the appropriate leave policy.

An employee requesting unpaid FMLA leave must explain the reasons why the leave is needed in order that the Designator be able to determine leave eligibility under the provisions of the Act. If qualifying, this time can then be counted against the employees' twelve week leave entitlement in accordance with the provisions stated above.

VIII. How the FMLA work week is calculated

A. Employees who do not take intermittent leave or work a reduced schedule

1. Full-time employees who normally work 7.5 hours per day 5 days per week are entitled to the same FMLA leave for 12 work weeks. (Some full-time employees, such as

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public safety officers, may work more than 7.5 hours per day; their entitlement will be determined accordingly.)

2. Part-time employees receive FMLA leave on a pro rata or proportional basis. If an employee works 6 hours a day, 5 days per week, the employee is entitled to an equal amount of FMLA leave for 12 work weeks.

B. Employees who take intermittent leave or work a reduced schedule

Only the amount of leave actually taken may be counted toward the 12 work weeks entitlement.

1. If a full-time employee normally works a 7.5 hour day and works 3.75 hour days under a reduced schedule, the employee would use 1/2 weeks of FMLA leave each week.

2. If an employee normally works a part-time schedule, the amount of leave is determined on a pro rata or proportional basis by comparing the new schedule with the employee's normal schedule. For example, if an employee normally works 30 hours per week and works only 20 hours per week under a reduced schedule, the employee's 10 hours of leave would be one-third of a week of FMLA leave for each week the employee worked the reduced schedule.

3. If an employer has made a permanent or long term change in the employee's schedule (for reasons other than FMLA), the hours worked under the new schedule would be used for calculating the employee's normal work week.

4. If an employee's schedule varies from week to week, a weekly average of the hours worked over the 12 weeks prior to the beginning of the leave period would be used for calculating the employee's normal work week.

An employee may not use paid leave intermittently with unpaid leave during a continuous leave period to continue benefits (e.g., insurance premiums). For example, during a continuous leave period, an employee may not designate two weeks of paid leave, then two weeks of unpaid leave.

If an employee uses paid leave under circumstances which do not qualify as FMLA leave, the leave does not count against the 12 weeks FMLA leave period. For example, sick leave used for a medical condition which is not a serious health condition (e.g., routine physical examination) does not count against the 12 weeks of FMLA leave entitlement.

IX. Examples of how TBR leave is used for various FMLA qualifying events

A. If an employee has sufficient sick leave balance, he/she may use sick leave for up to 30 working days under Adoptive Leave Policy 5:01:01:02. The employee has the option, however, of retaining his/her sick and annual leave balances and using leave without pay.

B. A female employee requests four months of leave under Tennessee Board of Regents Maternity Leave Policy 5:01:01:08. Since birth or care of a newborn child is also a

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FMLA qualifying event, the first twelve work weeks of the maternity leave shall be designated as FMLA leave. In accordance with the Maternity Leave Policy, sick leave may be used only for the period of the medical disability. The remaining balance of the FMLA leave may be taken as annual or unpaid leave.

After the twelve work week FMLA entitlement is completed, this employee is still eligible to take the difference remaining between four months of maternity leave and 12 work weeks of FMLA leave. However, the institution/technology center/Central Office is under no obligation to provide health insurance benefits during this non-FMLA period, should the leave be without pay.

X. Employee Notification Requirements

An employee giving notice of the need for FMLA does not need to express his rights under FMLA or even mention FMLA to fulfill his obligation to provide notice. However, he/she must provide sufficient information for the Designator to determine that leave is for an FMLA qualifying event.

When the need for FMLA leave is foreseeable, an employee must provide at least thirty days advance notice prior to the date the leave is to begin. In situations where thirty day notification is not possible, because the employee has no knowledge of the exact time when the leave will need to begin or because of a medical emergency, notice must be given as soon as practicable, normally within one or two business days of when the employee knows the date will be needed.

The employee should notify the supervisor of the need for leave and the anticipated timing and duration of the leave. The supervisor may request additional information to determine if the employee is requesting FMLA leave specifically and to obtain the necessary details of the leave being taken.

When accumulated sick and annual balances are to be applied toward the twelve workweek entitlement, the notification requirements in the institution's/technology center's/Central Office's leave policies apply.

XI. Employee Medical Certification Requirements

A. Requesting medical certification

The Designator may require that an employee's request for unpaid FMLA leave be supported by certification from a health care provider. Any request for medical certification should be made at the time the employee requests leave or as close as possible to that date. If the leave was unforeseen, the certification should be requested as soon as possible after the leave has begun. If the Designator has reason to question the appropriateness of the leave or its duration, certification may be requested at a later date.

The requirement may be made verbally or in writing and must allow a minimum of fifteen calendar days for the employee to provide the certification. The employee must provide the certification within the requested time frame, unless it is not practicable to do

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so under the circumstances (such as an employee's personal serious health condition preventing his/her ability to obtain the necessary information in a timely manner.)

An employee on paid FMLA leave is required to provide medical certification only in accordance with the provisions of the appropriate TBR leave policies.

The Designator's written notification to the employee that the leave may qualify as FMLA leave must include information regarding the medical certification requirement, as well as, the consequences for not providing medical certification. Subsequent medical certification may be requested orally.

B. Allowable medical certification information

The Designator may request only the following information from a health care provider certifying an employee's personal serious health condition or that of a son, daughter, or parent:

1. Certification as to which part of the definition of "serious health condition", if any, applies to the patient's condition and how the medical facts support the criteria of the definition.
2. A brief statement of the treatment regimen prescribed for the condition, including estimated number of visits, nature, frequency, and duration of treatment (including referral to or treatment by another HCP).
3. The date the serious health condition began and the health care provider's medical judgement of the probable duration of the condition.
4. Indication of whether or not intermittent leave or a reduced schedule will be required and the probable duration of the period.

For medical leave requested due to an employee's personal health condition, the certification, if required, must also include either a statement that the employee is unable to perform work of any kind, that the employee is unable to perform essential job functions of the employee's position (based on a statement of essential functions of the employee's position which has been provided by the institution/technology center/Central Office), or that the employee must be absent from work for treatment. (See Attachment B.)

For family leave to care for a spouse, son, daughter, or parent with a serious health condition, the medical certification, if required, must also include a statement that the patient needs assistance for basic medical, hygiene, nutritional needs, safety, or transportation, or that the employee's presence would provide psychological comfort to assist in the patient's recovery. In these situations, the employee is required to indicate on the certification form the care that will be provided and an estimate of the duration.

C. Requesting second and third opinions

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Once an employee has submitted a complete medical certification document signed by the employee's or family member's HCP, the Designator may not request any additional information from that HCP unless the employee is on FMLA leave running concurrently with a worker's compensation absence. However, if the Designator has reason to question the validity of the medical certification, the employee may be required to obtain a second opinion from another HCP, at the institution's/technology center's/Central Office's expense. This HCP cannot be employed by the institution/technology center/Central Office on a regular basis. Neither can this individual be under any contract or agreement with the institution/technology center/Central Office to provide second opinion services unless the employer is located in an area where access to health care is extremely limited.

If the opinions of the employee's and the Designator's HCP differ, Designator may obtain another certification from a third HCP at the institution's/technology center's/Central Office's expense. This HCP must be one agreed upon by both parties and the third provider's opinion is considered final and binding. The third HCP must be designated or approved jointly by the employer and the employee. The employer and employee must act in good faith attempting to reach an agreement on the provider to be selected. If the employee fails to exercise good faith, the second HCP's opinion will prevail; if the Designator fails to exercise good faith, the opinion of the employee's HCP will prevail.

An employee or family member may be reimbursed for any reasonable "out of pocket" travel expenses incurred to obtain a second and/or third medical opinion. Travel outside normal commuting distances may not be required except in very unusual circumstances.

If a second and/or third opinion must be sought for an employer or family member traveling in another country, medical certification shall be accepted by an HCP who practices in that country.

D. Requesting subsequent recertification of medical conditions

The Designator may request recertification of a medical condition only in connection with an employee's absence. The intervals between these requests can be no less than thirty (30) days, except in situations where (1) the employee requests an extension of leave; (2) circumstances described in the original certification have changed significantly; or (3) the Designator has obtained information conflicting with the continuing validity of the certification. The employee must provide certification within 15 calendar days following the employer's request unless circumstances make it impractical to do so. Unless indicated otherwise by the Designator, recertification will be at the employee's expense.

E. Consequences of an employee's failure to provide required medical certification

In situations of foreseeable leave and a 30 days notice has been provided, if an employee fails to provide certification within the requested allowable time frame, he/she may experience a delay in the continuation of FMLA leave until certification is provided.

When the need for leave is unforeseeable, or in the case of recertification, an employee must provide certification within a reasonable period of time set by the Designator, which must allow at least 15 calendar days, based on the particular medical circumstances. For

example, in an emergency situation, it may not be practical for an employee to provide the certification in the required period. In such instances, the employee may experience a delay in the continuation of FMLA leave. If medical certification is never provided, the leave is not FMLA leave.

F. Requiring medical certification for reinstatement

In situations where an employee is on FMLA leave due to a serious health condition preventing the performance of his/her job duties, the Designator may require, as a condition of the employee's restoration to a position, medical certification from an HCP that the employee is able to resume work. In order for this requirement to be permissible under FMLA guidelines, the Designator must have uniform policies or practices in place that are consistently applied for all employees taking leave under certain specific conditions. When the institution/technology center/Central Office does have such policies, an employee requesting FMLA leave must be notified of the requirement for medical certification prior to job restoration, either before or immediately after the leave period begins.

When notification has been properly given and policies have been applied uniformly, the Designator may deny position restoration to an employee until medical certification is submitted.

XII. Prohibition against interfering with employee rights

Provisions of FMLA prohibit interference with an employee's rights to family and medical leave under the law. An employee cannot waive, nor may the institution/technology center/Central Office induce the employee to waive his/her rights under FMLA. The essential job functions may not be changed in order to preclude the taking of leave. In addition, the number of working hours may not be reduced in order to adversely impact an employee's eligibility. The Designator should review existing Tennessee Board of Regents policies and practices to ensure compliance.

XIII. Impact of FMLA Leave on Health Insurance and Other Benefits

A. Insurance Coverage

For the duration of FMLA leave, the institution/technology center/Central Office is required to maintain an employee's health coverage under the State Group Insurance Plan under the same conditions coverage would have been provided if the employee had continued working. It is very important that the Designator communicate approval of FMLA leave to the insurance preparer.

The same health benefits provided to an employee prior to taking FMLA leave must be maintained during the FMLA leave. For example, if family coverage is provided to an employee, family coverage must be maintained during the FMLA leave. Moreover, an employee temporarily working a reduced schedule (for purposes of this section, less than 30 hours per week) during a period of FMLA leave is entitled to maintain the same insurance coverages that were in effect prior to the FMLA leave period.

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If an employer provides a new health plan or benefits or changes health benefits or plans while an employee is on FMLA leave, the employee is entitled to the new or changed plan/benefits to the same extent as if the employee were not on leave. For example, if an employer changes a group health plan so that dental care becomes covered under the plan, an employee on FMLA leave must be given the same opportunity as other employees to receive (or obtain) the dental care coverage.

Notice of any opportunity to change plans or benefits must also be given to an employee on FMLA leave. If the plan permits an employee to change from single to family coverage upon the birth of a child or otherwise add new family members, such a change in benefits must be made available while an employee is on FMLA leave. If the employee requests the changed coverage it must be provided by the employer.

The Designator is responsible for advising the employee of his/her options to continue or discontinue insurance coverage(s) prior to the beginning of the leave period. If the employee elects to continue insurance coverage(s), the Designator must provide the employee with written notice of the terms and conditions under which premiums must be paid. (See Attachment A.)

If coverage is not to be continued, the employee must contact the insurance preparer prior to the beginning of the leave. When an employee returns from leave, the employee is entitled to be reinstated on the same terms as prior to taking the leave, including family or dependent coverage, without any qualifying period, physical examination, exclusion of pre-existing conditions, etc. The employee must, however, request to reinstate coverage within thirty (30) days of his/her return to work to retain eligibility without being required to prove insurability or having the pre-existing conditions period imposed.

To ensure that an employee on unpaid FMLA leave is reinstated with the same benefits in effect prior to the leave period, the institution/technology center/Central Office shall pay the employer as well as any employee portion of premiums which has not been remitted in accordance with the provisions on Attachment A. Premiums paid on behalf of the employee will be deducted from the employee's paycheck following his/her return to work.

An employee is deemed to have returned to work if he/she has returned for 30 calendar days. An employee who retires immediately following FMLA leave or during the first 30 days after returning to work is also deemed to have returned to work.

If the employee fails to return to work or does not stay 30 calendar days, the employer portion of the insurance premium paid during FMLA leave may be recovered except for the following reasons:

1. The continuation, recurrence or onset of a serious health condition which would entitle the employee to leave under FMLA or
2. Other circumstances beyond the employee's control, such as an unexpected transfer of the employee's spouse to a job location more than 75 miles from the employee's worksite or the lay-off of the employee while on leave.

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If the employee fails to return to work due to a serious health condition, the Designator may require medical certification of the employee's or the family member's serious health condition.

The employer portion of the health premium may not be recovered during workers' compensation leave designated as FMLA leave.

B. Longevity

An employee on FMLA leave, paid or unpaid, shall receive longevity in accordance with the provisions of Longevity Guideline P-120. Note: The institution/technology center/Central Office may not eliminate benefits which otherwise would not be provided to part-time employees. Therefore, an employee who has been temporarily transferred to a part-time position during a period of FMLA leave, retains eligibility for longevity pay, regardless of the percentage of employment.

C. Leave Accrual

Employees shall accrue leave in accordance with the annual and sick leave policies. Due to the fact that leave is based on the number of hours worked per week, the accrual rate may be proportionately reduced.

XIV. Job Restoration Requirements

Upon returning from FMLA leave, an employee must be restored to his/her original position or to an equivalent position with equivalent benefits, pay, and other employment terms and conditions. This involves restoration to a position having the same or substantially similar duties and responsibilities and having substantially equivalent skill, effort, responsibility and authority. This applies only to employees returning from FMLA leave and may not apply to employees who used additional leave beyond the 12 workweek FMLA entitlement, as provided in other TBR leave policies.

An employee returning from FMLA leave is entitled to any general increases that all other institution/technology center/Central Office employees have received during the period the employee was on leave. He/she is also entitled to shift or work schedule assignments equivalent to those in effect prior to the beginning of the leave period and to a work location assignment geographically close to the one where previously employed.

If an employee is no longer qualified for the position because of the employee's inability to attend a necessary course, renew a license, etc., as a result of the leave, the employee shall be given a reasonable opportunity to fulfill those conditions upon return to work. If an employee can no longer perform the essential functions of the position because of a physical or mental condition, including the continuation of a serious health condition, the provisions of the Americans with Disabilities Act (ADA) regarding the need for other accommodations may apply. Such cases should be referred to the institution/technology center/Central Office ADA coordinator. (See Section XV.)

If an employee should require more or less FMLA leave than was originally anticipated, he/she is required to provide the institution/technology center/Central Office two business

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days notice where feasible. Regarding an employee who wants to return to work earlier than anticipated, he/she shall be restored once such notice is given, or where such notice is not feasible.

In situations where an employee notifies the Designator that he/she is not returning to work, the obligation to restore the employee to a position ends. Should the employee indicate he/she is unable to return to work but continues to want to return, restoration requirements remain in effect.

Note: An employee has no greater right to job restoration with equivalent benefits and conditions of employment than he/she would have had if continuously employed. Thus, if a work location is closed, a shift eliminated, overall work hours for an entire unit reduced, or positions abolished through a reduction in force, the employee is only entitled to conditions that would have been in effect for the employee if the leave had never been taken.

For example, if an employee's shift is eliminated during the time period that leave was taken, the employee is not entitled to assignment to the previous shift's work hours or to shift differential pay when he/she returns from leave that other employees formerly on the shift no longer receive. However, the employee is entitled to employment in a position meeting all other previous employment conditions. (Also refer to Section I,C.)

XV. How FMLA Affects the Americans with Disabilities Act

The Family and Medical Leave act is "not intended to modify or affect the Rehabilitation Act of 1973, as amended, the regulations concerning employment which have been promulgated pursuant to that statute, or the Americans with Disabilities Act of 1990, or the regulations under the Act." The leave provisions of the FMLA are totally distinct from the reasonable accommodation obligations required of employers covered under the ADA. (See Attachment C.) Therefore, employees must be provided leave under whichever statutory provision provides the greater rights.

In the event that both FMLA and discrimination laws are violated, an employee may be able to recover under either or both statutes. However, double relief may not be awarded for the same loss. In such instances, the employee determines the avenue of relief.

In various situations, the FMLA and ADA will interact with respect to a qualified employee with a disability. The following scenario illustrates how the laws may interact.

A qualified individual with a disability who is also an "eligible employee" entitled to FMLA leave request 10 weeks of medical leave as a reasonable accommodation, which the employer grants because it is not an undue hardship. The employer advises the employee that the 10 weeks of leave is also being designated as FMLA leave and will count towards the employee's FMLA leave entitlement. This designation does not prevent the parties from also treating the leave as a reasonable accommodation and reinstating the employee into the same job, as required by the ADA, rather than an equivalent position under FMLA, if that is the greater right available to the employee. At the same time, the employee would be entitled under FMLA to have the employer maintain group health

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plan coverage during the leave, as that requirement provides the greater right to the employee.

If the same employee needed to work part-time (a reduced leave schedule) after returning to his or her same job, this employee would be entitled under the ADA to reasonable accommodations to enable the employee to perform the essential functions of the part-time position. In addition, because the employee is working a part-time schedule as a reasonable accommodation, the employee would be shielded from FMLA's provision for temporary assignment to a different alternative position. Once the employee has exhausted his or her remaining FMLA leave entitlement while working the reduced (part-time) schedule, if the employee is a qualified individual with a disability, and if the employee is unable to return to the same full-time position at that time, the employee might continue to work part-time as a reasonable accommodation, barring undue hardship; the employee would then be entitled to only those employment benefits ordinarily provided by the employer to part-time employees.

XVI. Requirements for providing information on FMLA rights and responsibilities

The Designator must post notices explaining FMLA provisions and providing information concerning procedures for filing complaints on violations of the Act with the Wage and Hour Division of the U.S. Department of Labor. These notices must be posted in conspicuous places where employees and applicants can easily access the information provided.

If the institution/technology center/Central Office has an employee handbook or other document explaining employee benefits or leave rights, information regarding FMLA entitlement and employee obligations under the Act must be included. Efforts must be made to responsively answer employees' questions regarding their rights and responsibilities under the FMLA.

Whenever an employee requests family or medical leave the Designator must provide information to the employee regarding his/her specific obligations and explaining the consequences of failure to meet these obligations. The following information should be included: (1) that the leave will be counted against the employee's FMLA leave entitlement; (2) any requirements for furnishing medical certification of a serious health condition and information regarding the consequences of not providing this information; (3) the employer's right to substitute paid leave in specific situations and conditions related to the substitution; (4) the requirement for the employee to make health insurance premium payments and procedures for making these payments; (5) any requirement to present medical certification as a condition of job restoration following the conclusion of the leave period; (6) the employee's right to job restoration upon return from leave; and (7) the employee's potential liability for the employer's portion of the health insurance premium payments should the employee fail to return to work after taking FMLA leave.

If the leave period has already begun, the Designator should send notification to the employee's address of record that FMLA leave has been designated. A written notice must be provided to the employee the first time FMLA is used during any six-month period. FMLA notices to sensory impaired employees must also comply with all

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applicable Federal and State law requirements. The institution/technology center/Central Office may not penalize an employee for failure to comply with any FMLA provision if notice has not been given in accordance with the requirements of the Act.

XVII. Record-keeping requirements

The Designator in each agency is responsible for maintaining required records for all employees using FMLA leave. Employers must keep records specified by these regulations for no less than three (3) years and make them available for copying, inspection and transcription by the Department of Labor upon request. In addition to basic payroll and employee data and policy documentation, the following records are required:

- A. Dates FMLA leave is taken by each employee and clear designation of this time as FMLA leave.
- B. Hours of leave taken, if the amount is less than one full day.
- C. Copies of employee notices of FMLA leave sent to the Designator, if in writing, and copies of general and specific notices given to employees as required under FMLA guidelines.
- D. Records of any dispute between the employee and the Designator regarding the designation of leave as FMLA leave.
- E. Any work schedule agreed upon by the Designator and employee, in situations where intermittent leave or leave on a reduced work schedule has been approved.
- F. Any records related to FMLA, including medical certification, recertification, and medical history documentation must be kept separately from other personnel information due to confidentiality.

Source: TBR Meeting, June 25, 1995 (Finance and Administration approval January 17, 1996); TBR Meeting, March 29, 1996 (Finance and Administration approval November 13, 1996)

**TENNESSEE BOARD OF REGENTS
Request for Family and Medical Leave**

PART I - Employee Information

Name: _____ Employee SSN: _____

Employment Date: _____ Leave Period: _____

Office Phone: _____ Home Phone: _____

Name of Spouse if Employed by State: _____

Spouse SSN: _____ Agency Code #: _____

Purpose of Leave Request:

Serious Illness of:

____ Employee ____ Parent ____ Spouse

____ Child Age: ____ Incapacitated: ____ Yes ____ No

Birth, Adoption, or Foster Care Placement:

Name of Child: _____

Date of Birth: _____

*Date of Adoption/Placement: _____

* Please provide a copy of adoption placement papers and/or certificate.

Designation of Leave Usage: Begin Date End Date

Sick Leave _____

Annual Leave _____

Leave Without Pay _____

**Special Leave Requests:

Intermittent Leave ____ Yes ____ No

Reduced Work Schedule ____ Yes ____ No

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**Certification of Health Care Provider form must be completed for approval.

I understand the following:

- (1) I may be required to furnish a completed Certification of Health Care Provider form in order for Family and Medical Leave to be approved.
- (2) The institution/technology center/Central Office will pay the employer portions of the group medical insurance during any approved unpaid FMLA leave, provided I pay the employee portion in accordance with the payroll deadline date. All other insurance plans that I wish to continue during the FMLA period must be fully paid by me.
- (3) If I elect not to continue insurance coverage during the FMLA leave period, I must notify the insurance preparer in writing prior to the beginning of the leave. If plans are voluntarily canceled prior to the leave, I must request that coverages be reinstated within 31 days of my return to work. Premiums that would have been due during the FMLA leave for optional plans will be deducted from my paycheck.
- (4) If I do not return to work, I will be responsible for reimbursing the institution/technology center/Central Office for employer premiums paid in my behalf during an unpaid FMLA leave period. I will not have to repay premiums if I do not return to work for the following reasons: (a) continuation, recurrence, or onset of a serious health condition of myself or an immediate family member or (b) other circumstances beyond my control (not voluntary).
- (5) If my period of leave continues beyond the twelve (12) workweeks provided in the Family and Medical Leave Act of 1993, I must notify the insurance preparer in writing if I wish to drop coverage for the remainder of the leave period. This notification must be received no later than the last day of the month in which my insurance is continued under the provisions of FMLA leave.
- (6) I will not accrue leave while on leave without pay.

Employee Signature: _____ Date: _____

PART II - Employer Review and Recommendations

Supervisor/Department Head: _____ Date: _____

Recommend Approval: Yes No

Human Resources Officer : _____ Date: _____

Approved: Not Approved:

TENNESSEE BOARD OF REGENTS

Certification of Health Care Provider (Family and Medical Leave Act of 1993)

The information sought on this form relates only to the condition for which the employee is taking Family and Medical Leave Act (FMLA) leave. "Incapacity" for purposes of FMLA is defined to mean inability to work, attend school or perform other regular daily activities due to the serious health condition, treatment therefore or recovery therefrom.

1. Employee's Name: _____

2. Patient's Name: _____

3. The attached FMLA Appendix describes what is meant by a "serious health condition" under the Family and Medical Leave Act. Does this patient's condition qualify under any of the categories described? If so, please check the applicable category.

(1)____(2)____(3)____(4)____(5)____(6)____, or none of the above _____

4. Describe the medical facts which support your certification, including a brief statement as to how the medical facts meet the criteria of one of these categories:

5. a. State the approximate date the condition commenced, and the probable duration of the condition (and also the probable duration of the patient's present incapacity if different):

b. Will it be necessary for the employee to take work only intermittently or to work on a less than full schedule as a result of the condition (including for treatment described in Item 6 below)?

If yes, give the probable duration:

c. If the condition is a chronic condition (condition #4) or pregnancy, state whether the patient is presently incapacitated and the likely duration and frequency of episodes of incapacity:

6. a. If additional treatments will be required for the condition, provide an estimate of the probable number of such treatments: _____

If the patient will be absent from work or other daily activities because of treatment on an intermittent or part-time basis, also provide an estimate of the probable number and interval between such treatments, actual or estimated dates of treatment if known, and period required for recovery if any:

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b. If any of these treatments will be provided by another provider of health services (e.g., physical therapist), please state the nature of the treatments:

c. If a regimen of continuing treatment by the patient is required under your supervision, provide a general description of such regimen (e.g., prescription drugs, physical therapy requiring special equipment):

7. a. If medical leave is required for the employee's absence from work because of the employee's own condition (including absences due to pregnancy or a chronic condition), is the employee unable to perform work of any kind? _____

b. If able to perform some work, is the employee unable to perform any one or more of the essential functions of the employee's job (the employee or the employer should supply you with information about the essential job functions)? _____ If yes, please list the essential functions the employee is unable to perform:

c. If neither a or b applies, is it necessary for the employee to be absent from work for treatment: _____

8. a. If leave is required to care for a family member of the employee with a serious health condition, does the patient require assistance for basic medical or personal needs or safety, or for transportation? _____

b. If no, would the employee's presence to provide psychological comfort be beneficial to the patient or assist in the patient's recovery? _____

c. If the patient will need care only intermittently or on a part-time basis, please indicate the probable duration of this need:

(Signature of Health Care Provider)

(Type of Practice)

(Address)

(Telephone Number)

To be completed by the employee needing family leave to care for a family member:

State the care you will provide and an estimate of the period during which care will be provided, including a schedule if leave is to be taken intermittently or if it will be necessary for you to work less than a full schedule:

(Employee Signature)

(Date)

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Attachment B

FMLA APPENDIX

A "Serious Health Condition" means an illness, injury, impairment, or physical or mental condition that involves one of the following:

1. Hospital Care - Inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility, including any period of incapacity or subsequent treatment in connection with or consequent to such inpatient care.
2. Absence Plus Treatment - A period of incapacity of more than three (3) consecutive calendar days (including any subsequent treatment of period of incapacity relating to the same condition), that also involves:
 - (a) Treatment two or more times by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (e.g., physical therapist) under orders of, or on referral by, a healthcare provider;
 - or (b) Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider.
3. Pregnancy - Any period of incapacity due to pregnancy or for prenatal care.
4. Chronic Conditions Requiring Treatments - A chronic condition which:
 - (a) Requires periodic visits for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;
 - (b) Continues over an extended period of time (including recurring episodes of a single underlying condition); and
 - (c) May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.)
5. Permanent/Long-term Conditions Requiring Supervision - A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving treatment by, a health care provider examples include Alzheimer's, a severe stroke, or the terminal stages of a disease.
6. Multiple Treatments (Non-Chronic Conditions) - Any period of absence to receive multiple treatments (including any period of recovery there from) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, etc.) severe arthritis (physical therapy), kidney disease (dialysis).

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COMPARISON OF FMLA AND ADA PROVISIONS

Differences in concept A "serious health condition" is a "disability" must be analyzed not the same concept as a separately from a "serious health "disability" condition".

Leave entitlement an eligible employee may use up to A qualified employee may use an 12 work weeks of leave in any indeterminate amount of leave as 12-month period an accommodation, barring undue hardship. (A qualified employee is an individual, who, with or without a reasonable accommodation, can perform the essential functions of the position the employee holds or desires.)

Maintenance of benefits A covered employer must maintain Employers are only required to health insurance coverage as if maintain benefits assigned to the employee had been working position. Exception: Medical continuously insurance must be maintained for a regular employee who has an approved worker's compensation claim.

Alternative work schedules and/or positions an employee may work a reduced or an employer may offer a qualified intermittent schedule for the employee a part-time position equivalent of 12 work weeks. An employee may be reassigned to an employer may temporarily an equivalent vacant position only transfer an employee to when unable to perform the alternative position essential functions of the current position and no accommodation in the current position is possible or the accommodation would cause undue hardship.

Accommodations Employees may not be required to Employees are entitled to take a job with reasonable reasonable accommodations in order accommodations in lieu of FMLA leave to perform the essential functions of a position. Employers may be required to offer an employee the opportunity to take a job with reasonable accommodations.

Attachment C

FACTORS FMLA PROVISIONS ADA PROVISIONS

Job Restoration An employee must be reinstated to If an employee who has exhausted the same or an equivalent the FMLA leave entitlement is position, with equivalent pay and unable to perform the essential benefits duties of the same or an equivalent position, even with reasonable accommodations, the employer may be required to make a reasonable accommodation at that time by allowing the employee to work part-time or by reassigning the employee to a vacant position, barring undue hardship.

Work-related injury/illness FMLA leave and worker's same as above. An employee who compensation benefits run has exhausted his FMLA leave concurrently. An employee who is entitlement and is still unable advised by an HCP that he/she can to return to work has rights under return to a light duty position; the ADA is not required to take the position. Although the employee may lose worker's compensation payments, he/she may continue on FMLA leave until he/she is able to return to work or the FMLA period is exhausted.

Fitness for duty certification An employer's request for A fitness for duty physical must certification must comply with the be job-related and consistent with ADA's requirement business necessity.

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PRESIDENTS/DIRECTORS QUARTERLY

DATE: August 13, 2007

AGENDA ITEM: **Revision to TBR Guideline P-120 Longevity Pay**

ACTION: Requires Vote

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

An issue was brought to the Human Resources Officers for review: Does the Family Medical Leave Act (FMLA) approved leave without pay count towards the twelve month anniversary longevity date or should the anniversary date be adjusted? The longevity guideline states that periods without pay are ineligible service unless they are on leave due to an "on the job injury" and receiving payment from the State of TN. The longevity policy does not reference FMLA leave. The FMLA policy does address longevity in accordance with the longevity guideline. To provide clarity to the guideline, additional language has been added. The additional language was reviewed and recommended for approval by the Human Resources Officers and Business Officers.

C. Ineligible Service

4. Periods during which the employee is on FMLA or non-FMLA leave of absence without pay except when the employee is on approved leave of absence without pay due to an on-the-job injury or illness and where the employee is receiving benefit payments from the State (as in item B.5. above).

VII. Leave of Absence

All employees who are on FMLA or non-FMLA leave of absence without pay are entitled to longevity payment on their adjusted longevity anniversary date upon return from said unpaid leave.

TBR Guideline P-120

Subject: Longevity Pay

I. Introduction

The 89th General Assembly of the State of Tennessee adopted a longevity pay plan to reward State employees for extended service to the State. The plan became effective on July 1, 1979, was amended July 1, 1980 to include faculty members of the State's public higher education institutions, and was further amended on July 1, 1994 to include regular part-time employees who are scheduled to work 1600 or more hours (82.1 percent time) in a fiscal year. In addition, effective July 1, 1995, regular full-time employees with 36 months of full-time service became eligible to receive longevity credit for prior part-time service that is equivalent to not less than 5 years of full-time service. Its continuation each year is subject to positive action by the State Legislature.

II. Eligibility

Upon completion of 36 months of service, all regular full-time and faculty, clerical and support staff, administrative/professional employees, and modified fiscal year (MODFY) employees are eligible for longevity payments. In addition, all regular part-time employees who are scheduled to work 1600 or more hours (82.1 percent time) in a fiscal year and have 36 months of service are also eligible for longevity payments. (Refer to Section IV, B for additional information regarding credit for part-time service.) The 36 months of qualifying service must be in an eligible status as defined below. For purposes of creditable service for longevity payments, the service base of employees in faculty, MODFY, or eligible regular part-time appointments shall be considered to be a full 12 months.

III. Compensation

Eligible employees shall receive longevity pay at an established rate for each year of creditable service up to the maximum provided by law. The rate per year of service is established annually by the Legislature. For employees who completed 15 years of creditable service prior to July 1, 1984, September 1 shall be their longevity anniversary date. Payments will be made in the institution's payroll corresponding with September anniversaries. All other employees who have three years or more of creditable service shall receive their longevity payments in conjunction with their longevity anniversary date and in accordance with institutional payroll procedures.

Calculation of longevity pay is based on an employee's total years of eligible full-time service and eligible part-time service and the rate of pay in effect for the fiscal year in which the payment is made. Shown on the following table are the rates of pay per year of eligible service, the maximum years of service for which payment would be made, and the maximum payment made to any individual during each of the years since the longevity pay program began.

Rate of Pay Per Maximum

<u>Fiscal Year Approved</u>	<u>Rate of Pay Per Year of Service</u>	<u>Maximum Years Paid</u>	<u>Maximum Payment</u>
1979-1980	\$30	15	\$450
*1980-1981	\$60	15	\$900
1981-1982	\$75	15	\$1,125
1982-1983	\$75	15	\$1,125
1983-1984	\$75	15	\$1,125
1984-1985	\$75	16	\$1,200
1985-1986	\$85	17	\$1,445
1986-1987	\$90	18	\$1,620
1987-1988	\$95	19	\$1,805
1988-1989 and after	\$100	20	\$2,000
1989-1990	\$100	21	\$2,100
1990-1991	\$100	22	\$2,200
1991-1992	\$100	22	\$2,200
1992-1993	\$100	22	\$2,200
1993-1994	\$100	24	\$2,400
1994-1995	\$100	25	\$2,500
2006-2007	\$100	30	\$3,000

*Faculty members were included in the longevity pay plan effective July 1, 1980. During fiscal year 1980-81 faculty received \$45 per year of eligible service up to a maximum of 15 years or \$675. This special rate for faculty was provided for this one year because faculty improvement funds were provided in lieu of longevity pay during fiscal year 1979-80.

The following describes longevity provisions for non-exempt employees under the FLSA. The method of paying overtime on longevity became effective with the coverage

of non-exempt state employees by the Fair Labor Standards Act (workweek of April 15, 1986) and applies only to that portion of the employee's longevity work year after that date. The value of longevity pay is not included in the week-to-week calculation of regular hourly rate for overtime payment purposes. But, when longevity pay is given, ½ the hourly equivalent rate of the longevity payment is due for all premium overtime hours earned during the prior year of service for which the longevity payment is made. For example, a non-exempt employee worked 2150 hours during the year including 100 hours of premium overtime and received \$750 longevity payment. The overtime due on the payment would be \$750 divided by 2150 hours = \$.348 hourly equivalent time ½ = \$.174 per hour times 100 premium hours = \$17.40 additional overtime longevity payment.

Longevity pay is subject to Federal Withholding Tax and Social Security taxes. Effective January 1, 2004, institutions may select either Option A or Option B as provided in IRS Circular E - Supplemental Wages to determine the Federal Withholding Tax. The Social Security Tax is assessed at the prevailing rate. The gross dollar value of the longevity payment is considered as covered salary for purposes of calculating retirement benefits.

IV. Longevity Service Credit

A. Adjusted Longevity Anniversary Date

The adjusted longevity anniversary date shall be that date on which 36 months of creditable regular state service is completed.

A longevity anniversary date is established for all employees who are eligible or potentially eligible to participate in the program. At the time of initial employment, the employee's longevity anniversary date is established utilizing all periods of prior eligible service with the State or one of its agencies or an institution within the Tennessee Board of Regents or the University of Tennessee systems. If the employee does not indicate prior service, the longevity anniversary date is the same as the initial employment date.

B. Eligible Service

The following types of service are considered eligible service when establishing an individual's adjusted longevity anniversary date:

1. All regular full-time service with the Tennessee Board of Regents, University of Tennessee or Tennessee Government to include agencies, offices, departments or other subdivisions of the Executive, Judicial, or Legislative branches.

Effective July 1, 1995, all regular full-time service of 36 months and prior regular part-time service that is the equivalent of 5 years of regular full-time service with any of the organizations listed above. Credit for such prior part-time service is prospective only.

2. All regular part-time service in which the employee was scheduled to work 1600 or more hours in a fiscal year with any of the organizations listed above.

3. Periods in which regular part-time employees work additional hours, resulting in a fiscal year work schedule of 1600 or more hours. (See IV.B.11.)

Example: On July 1st, an employee was appointed as a regular part-time employee at 50% time. On September 1st, he was asked to work 100% time until another person could be hired. By June 30th of that fiscal year, he had actually worked more than 1600 hours. On July 1st, he changed to full-time on a regular basis; and he received longevity credit for the prior fiscal year. (See Section IV.B.12.)

4. Eligible temporary service with any of the organizations listed in 1 above, which immediately precedes the regular full-time service.

Effective July 1, 1995, eligible temporary service includes all part-time temporary service that is the equivalent of 5 years of full-time service which immediately precedes regular full-time service. Credit for eligible part-time service will be given when 36 months of regular full-time service has been rendered and will be prospective only.

5. Periods during which the employee is in an approved paid leave status.

6. Periods during which a normally eligible employee is working a temporarily reduced work schedule of not less than 50% of full-time and for a period not to exceed six months.

7. Periods during which the employee is on leave of absence without pay and is receiving compensation from the State Board of Claims for an on-the-job injury or illness.

8. Any employee otherwise eligible who is on military leave.

9. Periods during which an employee is on an approved grant-in-aid.

10. Periods during terminal leave status.

11. Employees currently eligible for longevity pay who have prior part-time service consisting of at least a 1600 hours annual schedule shall receive longevity credit for each month of such part-time service in which the employee was scheduled to work a full month and actually worked one-tenth of one hour more than half the schedule. This provision became effective July 1, 1987. Effective July 1, 1995, eligible employees shall receive credit but not retroactive longevity payments. In other words, the employee who changes status as described in this section shall receive credit for the time worked, but will not receive longevity payments for credited time until the next fiscal year when the prior part-time service is calculated into the longevity payment.

12. Regular employees may receive longevity credit for adjunct faculty service if the following conditions apply:

(1) The employee's work schedule for the fiscal year consisted of the equivalent of 1600 or more hours. Effective July 1, 1999, equivalent hours shall be calculated for each semester/quarter and then added together to obtain the total equivalent hours for the fiscal year. (The following formula will be used to determine the equivalent hours: semester/quarter hours taught x 2.5 x number of weeks in semester/quarter = clock hours)

Example: Employee taught 9.0 hours the second session of Summer 1997, 15.0 hours Fall Semester 1997, 15.0 hours Spring Semester 1998, and 6.0 the first session of Summer 1998.

Summer 1997 (2nd Session) $9 \times 2.5 \times 6 = 135.0$

Fall 1997 $15 \times 2.5 \times 17 = 637.5$

Spring 1998 $15 \times 2.5 \times 17 = 637.5$

Summer 1998 (1st Session) $6 \times 2.5 \times 6 = 90.0$

Total hours for 1997-98 FY 1500.0 This employees' work schedule would *not* satisfy the 1600 or more hours criteria for the fiscal year.

(2) The adjunct faculty service immediately preceded eligible regular service.

Eligible employees included in paragraphs 3, 4, and 7 above shall receive their longevity payment as normally scheduled. Eligible employees covered by paragraphs 5 and 6 shall receive their longevity payment upon returning to an active payroll status with the institution.

C. Ineligible Service

The following types of service are not considered as eligible service when establishing an individual's longevity anniversary date:

1. Part-time service (except as specified in Sections I, II and IV, B.9) or service as a student employee.
2. Temporary service unless such service is full-time and immediately precedes regular full-time service.
3. Service with elementary or secondary (K-12) public schools.
4. Periods during which the employee is on FMLA or non-FMLA leave of absence without pay except when the employee is on approved leave of absence without pay due

to an on-the-job injury or illness and where the employee is receiving benefit payments from the State (as in item B.5. above).

5. Services rendered in addition to the employee's regular duties, including the services of faculty for teaching summer school do not qualify as eligible service. Although such periods of service may immediately precede regular full-time service, they cannot be counted as eligible service in establishing the employee's adjusted longevity anniversary date. Exception: Such Service is included only if it is combined with other regular or adjunct service in the same fiscal year to determine the employee's eligibility for an adjustment under Section V.B.3., or IV.B.12.

D. Rehiring Previous Employees

When employing individuals with prior State service, the employee's adjusted longevity date will be established utilizing all eligible prior service. The adjusted longevity date will be used to initiate payments for current and subsequent fiscal years.

E. Transfers

Employees who transfer from one State agency to another without a break in service are eligible for longevity compensation in accordance with their adjusted anniversary month.

V. Changes in Employment Status

A. Employees who change from regular part-time service of less than 1600 hours in a fiscal year, temporary or student status to regular full-time status or eligible regular part-time status become eligible to participate in the longevity pay plan.

B. Employees who change from regular full-time or eligible part-time positions to regular part-time service of less than 1600 hours in a fiscal year and are in the regular part-time status of less than 1600 hours at the time of their longevity anniversary date will not be eligible for longevity payments.

C. Eligible employees on an academic year pay base changing to a fiscal year pay base shall be eligible to continue receiving longevity payments and shall receive no change in service credit as a result of the transfer.

D. Eligible employees on a fiscal year pay base changing to an academic year pay base shall be eligible to continue receiving longevity payments and shall receive no change in service credit as a result of the transfer.

VI. Faculty

A. Eligible faculty (other than those in Section III, Paragraph 1) whose anniversary date is the beginning of the academic year shall receive their longevity payment in the last monthly payroll for the contract period.

B. Eligible faculty members (other than those addressed in section III, paragraph 1) whose anniversary date is other than the beginning of the academic year shall receive their longevity payment when the anniversary date occurs in the regular scheduled payroll cycle for that date.

VII. Leave of Absence

All employees who are on FMLA or non-FMLA leave of absence without pay are entitled to longevity payment on their adjusted longevity anniversary date upon return from said unpaid leave.

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VIII. Termination of Employment

The following longevity pay regulations apply to persons who terminate their employment for any reason other than retirement.

A. If a terminating employee has completed an additional year of creditable service for longevity payment purposes, and then the longevity payment shall be made. However, no pro-rata payment will be made for a partial year's service.

B. Terminating faculty whose anniversary date is the beginning of the academic year and who are otherwise eligible, shall receive their longevity payment in the final month's payroll for the year's service provided that the entire academic year was served.

IX. Retirement

Eligible retiring employees may receive their longevity pay if the longevity anniversary date occurs during their terminal leave period. All retiring employees are eligible for longevity pay following the completion of one year of creditable service. Faculty who retire after completing their responsibilities for the academic year are eligible for longevity pay in their final payroll for the academic year.

Due to the cost-of-living adjustment for retirement purposes, a 12-month employee with his/her longevity anniversary date as July 1, who plans to retire prior to June 30 must be in active pay status on June 29 in order to be eligible for longevity pay.

X. Exceptions to the provisions of these regulations may be recommended by the President for the Chancellor's approval.

Source: Presidents Meeting November 1, 1988; Presidents Meeting May 15, 1990; Presidents Meeting November 9, 1993 ; Presidents Meeting November 9, 1994; Presidents Meeting May 8, 1995; Presidents Meeting August 8, 1995; Presidents Meeting November 4, 1998; Presidents Meeting November 3, 1999; Presidents Meeting May 9, 2000; Presidents Meeting November 5, 2003; Presidents Meeting November 8, 2006

PRESIDENTS/DIRECTORS QUARTERLY

DATE: August 13, 2007

AGENDA ITEM: **Revision to TBR Guideline B-061
Support for Educational Assistance (State Employee and Dependents)**

ACTION: Requires Vote

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

Effective 7/1/2007 tuition waivers were expanded to include online course fees for one course semester per term taken through the Regents Online Program for State Employees and Dependents. The fee waiver program for TBR employees does not include the online course fees for the Regents Online Program. The Human Resources Officers Committee and the Business Office Sub-Council recommend the revision.

EDUCATIONAL ASSISTANCE FOR STATE EMPLOYEES AND DEPENDENTS OF STATE EMPLOYEES AND PUBLIC SCHOOL TEACHERS

B-061 - Support for Educational Assistance

The Tennessee Board of Regents is committed to the need for the continued professional growth and development of employees. Support for educational assistance of personnel and their dependents is an important vehicle for addressing that need. The programs for TBR employees and dependents are available subject to funds being budgeted and available within the institution/technology center/Central Office. The Office of Human Resources is responsible for the administration of various programs with the exception of the two programs offered to general state employees and the dependents of licensed teachers and State employees (B-061) and the program for dependents of veteran's and age 65 or above program (B-062). Exceptions to the provisions of the programs for TBR employees can be made upon recommendation of the president/director and approval by the Chancellor.

Types of Support for Educational Assistance

The guidelines for Educational Assistance (P-130, P-131, B-061, and B-062) contain a total of eleven (11) programs. The Programs in P-130 provide benefits to personnel at TBR institutions, Tennessee Technology Centers and the Central Office to further their formal education. The Program in P-131 provides benefits for dependents of TBR employees. The programs in B-061 provide assistance to state employees and dependents of public school teachers. The programs in B-062 provide assistance to dependents of veterans and to state employees 65 years of age and older. The programs are:

P-130 – Educational Assistance for TBR Employees

- I. Faculty or Administrative/Professional Staff Grant-in-Aid Program
- II. Faculty or Administrative/Professional Staff Tuition or Maintenance Fee Reimbursement Program
- III. Employee Audit/Non-credit Program
- IV. Clerical and Support Staff Maintenance Fee Payment Program
- V. Fee Waiver for TBR/UT System Employees Program (PC 191)

P-131 – Educational Assistance for Spouse and Dependents of TBR Employees

- I. Fee Discount for Spouse and/or Dependent Children Program

B-061 – Educational Assistance for State Employees and Dependents of State Employees or Public School Teachers

- I. Public Higher Education Fee Waiver for State Employees Program
- II. Fee Discount for Dependent Children of Licensed Public School Teachers or State Employees Program

B-062 – Other Educational Assistance Programs

- I. Veterans' Dependents' Post-Secondary Education Program
- II. Age 65 or Above Program

Complete eligibility information is contained within each Guideline.

Taxation of Educational Assistance Programs

Undergraduate and graduate course tuition, up to \$5250 per year, paid by the Tennessee Board of Regents institutions and the University of Tennessee System for their employees is eligible for exclusion from the employees' gross annual income, in accordance with Internal Revenue code (IRC) Section 127.

I. Public Higher Education Fee Waiver for State Employees Program

(This fee waiver program is for general state employees exclusive of TBR and UT system employees.)

These rules implement the provisions of the T.C.A. § 8-50-1. The Code enables full-time employees of the State of Tennessee to be eligible for enrollment in one course per term at any State supported college or university or Tennessee technology center without paying tuition charges, maintenance fees, debt service fees, student activity fees, technology access fees, or registration fees. Effective 07/01/2007 tuition waivers were expanded to include online course fees for one course semester per term taken through the Regents Online Degree Program. Employees are responsible for special course fees, books and supplies, application fees, applied music fees, lab fees, off-campus facilities fees, parking fees and traffic fines.

Pursuant to T.C.A. § 10-5-101 et seq., employees of the State's regional library system became employees of the Department of State, effective July 1, 1999. As such, they became eligible to participate in the State's educational assistance programs. In addition, effective September 8, 1999, the Tennessee Higher Education Commission determined that Human Resource Agency employees are

not State employees as that term is defined in the Commission's rules governing these programs and thus are not eligible for fee waivers.

Course enrollment will be permitted on a "space available" first-come-first served basis. State employees may register no earlier than four (4) weeks prior to the first day of classes. No tuition paying student shall be denied enrollment in a course because of state employee enrollments pursuant to this section.

State employees must receive credit for the course in which they are enrolled. In addition, changes may not be made from credit to audit during the course of the term. Other guidelines and procedures for administration of this program are printed on the reverse side of the Request for Public Higher Education Fee Waiver for Employees of the State of Tennessee form. These forms are available from the Tennessee Higher Education Commission.

II. Fee Discount for Dependents of Licensed Public School Teachers or State Employees Program

These rules implement the provisions of T.C.A. § 49-7-101 et seq. and § 8-50-101 et seq. The Codes enable children under the age of twenty-four (24) to receive a twenty-five percent (25%) discount on tuition at any state operated institution of higher learning if their parent: (1) is employed as a full-time licensed teacher in any public school in Tennessee or as a full-time employee of the state of Tennessee, (2) is a retired employee of the state of Tennessee who retired after a minimum of twenty-five (25) years of full-time creditable service, (3) was killed in the line of duty while a full-time employee of the state of Tennessee, or (4) died while a full-time employee, though not "in the line of duty."

Tuition includes undergraduate maintenance fees, technology center program fees, and technology access fees; it does not include application for admission fees, student activity fees, debt service fees, lab fees, applied music fees, books and supplies, dormitory charges or meal plans.

Other guidelines and procedures for administration of this program are printed on the reverse side of the Request for Public Higher Education Fee Discount for Dependents of Certified Public School Teachers form. These forms are available from the Tennessee Higher Education Commission.

Source: Presidents Meeting February 7, 2006; Presidents Meeting November 6, 2006; Presidents Meeting May 15, 2007

PRESIDENTS/DIRECTORS QUARTERLY

DATE: August 13, 2007

AGENDA ITEM: **Revision to TBR Guideline P-115
Certified Professional Secretary Examination**

ACTION: Requires Vote

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

TBR Guideline P-115 for Certified Professional Secretaries will be revised to include "An employee must pass either the full (four-part) exam sponsored by the International Association of Administrative Professionals (IAAP) or the three-part Certified Professional Secretary exam in order to receive the 9% increase, prospective as of June 27, 2007".

The heading on our current policy on CPS will change to Certified Professional Secretary or Certified Administrative Professional Certification. These changes were reviewed and are recommended for approval by the Human Resources Officers and Business Officers.

GUIDELINE NO. P-115

SUBJECT: ~~Certified Professional Secretary Examination~~ Certified Professional Secretary or Certified Administrative Professional Certification

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Employees who work in a clerical-secretarial or clerical-management non-exempt position who pass all parts of the Certified Professional Secretary Examination (CPS) or Certified Administrative Professional Examination (CAP) shall be granted a nine percent (9%) increase in salary. Exempt employees are not eligible for the increase.

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The salary increase shall become effective with the next pay period beginning after the employee's passing grades on all parts of the examination are certified by the ~~Institute for Certifying Secretaries~~ International Association of Administrative Professionals (IAAP).

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The certification date is located in the upper left-hand corner of the Candidate Performance Report generated by the ~~Professional Secretaries Institute (PSI)~~ IAAP. (It is not the date that the test is administered nor the date that the report from ~~PSI~~ IAAP is received). It is the employee's responsibility to provide the appropriate verification to the Human Resources/Personnel Office. Employees may contact the institution's Human Resources/Personnel Office with questions regarding eligibility for the increase.

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The guideline applies to employees who pass all parts of the CPS exam after the effective date of this guideline which shall be July 1, 1991. An employee must pass either the four-part Certified Administrative Professional exam or the three-part Certified Professional Secretary exam in order to receive the 9% increase, prospective as of June 27, 2007.

Source: Presidents Meeting November 1, 1988 ; Presidents Meeting May 14, 1991; Presidents Meeting September 19, 1991

PRESIDENTS/DIRECTORS QUARTERLY

DATE: August 13, 2007

AGENDA ITEM: **Update on Salary Guidelines for 2007**

ACTION: Information Only

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

Campuses have submitted their "estimated" salary plan templates to our office. Currently, fifteen (15) campuses have proposed equity and/or merit increases in their plans for this year, and fourteen (14) have plans to award bonuses and/or additional across-the-board increases. The TN Technology Centers also plan to propose increases based on a TTC system wide plan.

PRESIDENTS/DIRECTORS QUARTERLY

DATE: August 13, 2007

AGENDA ITEM: **TBR Employee Charitable Campaign**

ACTION: Information Only

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

The TBR Employee Charitable Campaign will begin September 1, 2007. Campuses were reminded to include all approved federations and independents in their local campaigns. Human Resources Officers received training for the campaign and were instructed to share the information with their local campaign coordinators.

PRESIDENTS/DIRECTORS QUARTERLY

DATE: August 13, 2007

AGENDA ITEM: **People Admin (Central Instance) Update**

ACTION: Information Only

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

People Admin and SunGard SCT formed a partnership to offer on-line employment applications and tracking. Using People Admin, campuses can collect employment applications, screen candidates using job specific questions, provide applicants with automated e-mail updates, route application materials to hiring managers and even automate the creation and approval of job requisitions using a web-based interface. People Admin will redirect or eliminate most paper and staff intensive processes.

For campuses that have purchased the "Central Instance", the People Admin project calendar has been developed and the initial meeting was July 19, 2007 for the participating campuses. The following institutions are participating in the contract for the Central Instance: Austin Peay State University, East Tennessee State University, Chattanooga State Technical Community College, Columbia State Community College, Motlow State Community College, Pellissippi State Community College, Roane State Community College, Walters State Community College and TBR Central Office. The University of Memphis has decided to develop its own instance instead of using the Central Instance.

People Admin also offers a position description and evaluation tool that a few campuses have purchased.

(See Attachment)

Tennessee Board of Regents - PeopleAdmin Proposed Schedule	
7/19/07 10:00 am - 12:00 noon CST	Kickoff Meeting: discuss implementation and also talk through framework, fields/forms and file loading (1.5 hour Phone Meeting)
7/19/07-8/17/07	Assignment: TBR core team members complete PreOnsite Assignment and make decisions on PD form, Requisition form, and Application form(s)
8/22/07-8/23/07	Onsite Meeting (Clay travels to TBR - meeting runs 9:30 am - 3:30 pm both days)
9/12/2007 10:00 am - 12:00 noon CST	Site Review Meeting (2 hour Phone Meeting) GOAL: 80-90% of site is complete.
9/17/07 - 10/31/07	TBR HR Testing
10/31/07:	TBR send PeopleAdmin changes from HR Testing
11/1/07-11/16/07:	PeopleAdmin make changes
11/26/07 - 12/21/07:	TBR User/Focus Group Testing
12/21/07:	TBR send PeopleAdmin changes from User/Focus Group Testing
1/2/08-1/18/08:	PeopleAdmin make changes
Week of 1/21/08:	PeopleAdmin-led training sessions (computer lab)
1/28/08-2/15/08:	Additional Training (TBR-led)
2/20/2008	Internal Go Live (users); transition from implementation team to Client Services
3/5/2008	External Go Live (applicants)