



A G E N D A

PRESIDENTS MEETING

Tuesday, November 6, 2007 – 9:00 A.M. (CT)

TBR Board Room

1. Video Presentation by Mr. Art Coleman, Partner and Co-Leader of Holland and Knight Education Policy Team in Washington, DC (Vice Chancellor Thompson)
2. America Diploma Project – Margaret Horn , Governor’s Planning Office (Vice Chancellor Paula Myrick Short)
3. Legislative Initiatives (Vice Chancellor Gregory)
4. TBR Website
 - Internal Audits on the Website (Chancellor Manning)
 - TBR Website Questionnaire (Mary Morgan)
5. Proposed TBR Guideline – Federal Litigation Hold Notice Procedure for Federal Litigation (Electronically Stored Information & Hard Copy Documents) (General Counsel Chris Modisher) – *See Attached*
6. Revision to TBR Policy 4:01:05:00 - Internal Audit (Tammy Gourley) – *See Attached*

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7. Proposed Revisions to Policies and Guidelines under Business Affairs (Vice Chancellor Bob Adams) – *See Attached*
 - Policy 4:03:02:00 - Motor Vehicles
 - Guideline B-060 - Fees, Charges and Refunds
 - Guideline B-061 - Educational Assistance for State Employees and Dependents of State Employees and Public School Teachers
 - Guideline B-062 - Other Educational Assistance Programs
 - New Guideline - Use of Electronic Signatures and Records
8. Proposed Revisions to TBR Policies and Guidelines under Human Resources (Vice Chancellor Bob Adams) – *See Human Resources Attachment*
 - Policy 5:01:01:09 – Bereavement Leave - Addition to Address Pro-Ration of Leave for Part-time Regular Employees
 - Policy 5:01:01:01 - Annual Leave
 - Policy 3:05:01:01 – Alcoholic Beverages (General Counsel Modisher)
 - Guideline P-130 - Support for Educational Assistance
9. Update on Changes to State Benefits Administration - Edison Project (Vice Chancellor Bob Adams) – *See Human Resources Attachment*
10. Update on 403B Regulations from IRS – Information Item (Vice Chancellor Bob Adams) – *See Human Resources Attachment*
11. Update on Roth 401K for Effective January 2008 – Information Item (Vice Chancellor Bob Adams) – *See Human Resources Attachment*
12. Update on Flexible Benefits Administration – Release of RFP in Spring 2008 – Information Item (Vice Chancellor Bob Adams) – *See Human Resources Attachment*
13. TCRS Beneficiary (Vice Chancellor Bob Adams) – *See Human Resources Attachment*
14. Discussion of Business Continuity Risk Management Plan (Vice Chancellor Adams)

ERP Steering Committee

The ERP Steering Committee will meet immediately after lunch. The agenda will be mailed to you separately.

PRESIDENTS / DIRECTORS QUARTERLY

DATES: Presidents' Meeting - November 6, 2007
Directors' Meeting - November 7, 2007

AGENDA ITEM: Proposed TBR Guideline
*General Guideline G-____: Federal Litigation Hold Notice
Procedure (Electronically Stored Information & Hard Copy
Documents)*

ACTION: Requires Vote

PRESENTER: Christine Modisher, TBR General Counsel

BACKGROUND INFORMATION:

As of December 2006, federal law requires parties to a lawsuit pending in federal court to preserve electronic data and documents pertaining to the lawsuit in conformance with the *Federal Rules of Civil Procedure*. Therefore, a legal duty exists to preserve evidence (e.g., documents and things), including electronic documents, when an institution has notice that the evidence is relevant to pending federal litigation or when the institution should have known that the evidence may be relevant to future federal litigation. The proposed guideline will assist Tennessee Board of Regents ("TBR") Institutions in the implementation of an institutional Litigation Hold Notice Procedure to comply with the *Federal Rules of Civil Procedure* provisions regarding preservation of Electronically Stored Information.

GUIDELINE G-_____

SUBJECT: Litigation Hold Notice Procedures for Federal Litigation (Federal Rules of Civil Procedure)

Federal law requires parties to a lawsuit pending in federal court to preserve electronic data and documents pertaining to the lawsuit in conformance with the *Federal Rules of Civil Procedure*. There is a legal duty to preserve evidence (e.g., documents and things), including electronic documents, when the institution has notice that the evidence is relevant to pending federal litigation or when the institution should have known that the evidence may be relevant to future federal litigation. This guideline is issued to aid Tennessee Board of Regents ("TBR") Institutions in the implementation of a Litigation Hold Notice Procedure to comply with the *Federal Rules of Civil Procedure* provisions regarding preservation of Electronically Stored Information.

I. DEFINITIONS

As used in this guideline the following terms shall mean:

- A. Electronically Stored Information ("ESI") refers to all forms of electronic data and documents including, but not limited to, metadata, electronic mail, word processing documents, calendars, voice messages, videos, digital photographs, information in personal digital assistants (PDA) in any location where data may be stored.
- B. Litigation Hold Procedure is a process whereby an institution, when sued in federal court or when reasonably anticipating federal litigation, issues a litigation hold notice communication suspending the normal operation of paper and electronic document destruction policies for particular records that are relevant to the federal litigation.
- C. Litigation Hold Notice Letter is the communication that is distributed to preserve information and prevent or suspend destruction of paper documents and electronic data that must be retained during a litigation hold (attached as Appendix A).
- D. Records Coordinator refers to the individual at an institution who has been appointed by the President or Director to serve as the institution's Records Coordinator / Official. The Records Coordinator has the authority and responsibility to dispose of paper and electronic documents in accordance with approved records disposition authorizations under TBR Guideline G-070, *Disposal of Records*. Prior to the destruction of any records, the Records Coordinator must determine if the action should be delayed due to audit or federal litigation hold requirements.
- E. Evidence refers to hard copy and electronic / digital recordings, videotapes, writings, material objects, photographs, drawings, diagrams, testimony, or other things presented to the senses that are offered to prove the existence or nonexistence of a fact.

II. PURPOSE

This guideline explains that TBR Institutions must develop a comprehensive written Federal Litigation Hold Notice Procedure ("Litigation Hold Procedure") to retain Electronically Stored Evidence ("ESI") evidence that is relevant to a federal lawsuit as required by the *Federal Rules of Civil Procedure*. An institution's Litigation Hold Procedure must include the components described in this guideline pursuant to which the institution intends to preserve and retain all evidence, including ESI that is relevant to pending federal litigation in order to avoid penalties for non-compliance with the *Federal Rules of Civil Procedure*.

The penalties for non-compliance with the federal law regarding electronic evidence retention in federal litigation are severe and potentially costly. The consequences for an institution could include, but are not limited to, monetary sanctions; payment of the opposing party's attorneys' fees and costs; preclusion of the institution's evidence at trial; dismissal of the institution's claims and counterclaims; and default judgments against the institution. Each institution is solely responsible for payment of any monetary sanctions issued by the court resulting from the institution's non-compliance with electronic record retention requirements as required by federal law hence the importance of an institutional litigation hold procedure.

III. SCOPE OF LITIGATION HOLD NOTICE

The Litigation Hold Procedure shall apply to any evidence, paper or electronic documents and data or things, maintained by an institution that is relevant to an actual pending federal lawsuit or an anticipated federal lawsuit. Such evidence shall be preserved and retained by the institution pursuant to the provisions of the Litigation Hold Notice until the conclusion of both the litigation and the requisite time period after the litigation as outlined in TBR Guideline G-070, *Disposal of Records*. Notwithstanding the records retention and disposition schedule outlined in TBR Guideline G-070, *Disposal of Records*, upon issuance of a Litigation Hold Notice, institutions must suspend routine purging, overwriting, re-using, deleting, or any other destruction of electronic information relevant to a federal law dispute, including electronic information wherever it is stored. This includes, but is not limited to, electronic information at an institution work station, on a laptop, in a personal digital assistant, on a CD-rom, at an employee's home, etc. The retention requirement includes all forms of attorney-client privileged and non attorney-client privileged electronic documents. In the context of federal litigation, although all information must be preserved, no data will be disclosed to the opposing party without first being reviewed to determine legal necessity, relevance, and privilege. Privileged documents (e.g., attorney-client communications) will not be disclosed to the opposing party.

The same preservation requirement exists for paper documents such that institutions must suspend routine or intentional destruction of paper documents that are relevant evidence in a federal lawsuit as outlined in a Litigation Hold Notice.

IV. REQUIREMENTS OF A LITIGATION HOLD NOTICE PROCEDURE

A. PURPOSE OF A LITIGATION HOLD NOTICE

There will be instances in which an institution must implement a Litigation Hold Notice that requires the retention of certain paper and electronic records for an indefinite period of time due to pending or anticipated federal litigation. A Litigation Hold Procedure is the process whereby an institution, when sued in federal court or when reasonably anticipating federal litigation, sends a Litigation Hold Notice suspending the normal operation of document destruction policies for particular records that are relevant to the federal litigation. Notwithstanding the applicable records retention schedule, documents that are subject to a particular Litigation Hold Notice must be retained until the hold is removed.

The Records Coordinator, or a designee, at an institution is responsible for implementing the Litigation Hold Procedure upon notice of the need for a Litigation Hold Notice to preserve relevant ESI and paper documents. Identifying instances in which a Litigation Hold Notice is required and its subsequent implementation requires collaboration of multiple individuals at the institution, including the institution's Legal Counsel. The Litigation Hold Notice Procedure that results in the issuance of a Litigation Hold Notice Letter is outlined in this section. The implementation of an institutional Litigation Hold Notice requires adherence to the procedure outlined in this guideline or an alternative process established at an institution that includes the components of the procedure outlined in this guideline.

B. INSTITUTION'S NOTIFICATION OF FEDERAL LITIGATION

Responsible Party: All Employees

All employees have an affirmative duty to inform the institution's Records Coordinator when they receive official or unofficial notification of federal litigation or anticipated federal litigation against the institution.

1. Official Notice Federal Litigation

Employees are considered to be in receipt of official notice of federal litigation when they receive a complaint, summons, and/or other official documents related to a federal lawsuit.

2. Unofficial Notice Federal Litigation

Employees should, at a minimum, consider receipt of any of the following written documents as actions that are related to anticipated federal litigation and notify the Records Coordinator accordingly.

- i. U.S. Equal Employment Opportunity Commission Charge
- ii. Tennessee Human Rights Commission Charge
- iii. U.S. Office of Civil Rights Complaint
- iv. Occupation Safety Health Administration Violation Complaint

- v. Employee or student harassment / discrimination complaint filed pursuant to TBR Policy (P-080)
- vi. Title VI or Title XI Complaint
- vii. Employee, student, or third party complaint or grievance alleging a violation of any federal law
- viii. Whistleblower and whistleblower retaliation claims

C. EMPLOYEE'S NOTIFICATION OF FEDERAL LITIGATION TO RECORDS COORDINATOR

Responsible Party: All Employees

Based on the factors outlined in Section IV. B. of this guideline, employees who have official or unofficial notice of federal litigation or anticipated federal litigation against the institution must inform the institution's Records Coordinator, in writing, of the matter within two (2) business days of their receipt of notification.

D. RECORDS COORDINATOR'S ISSUANCE OF LITIGATION HOLD NOTICE LETTER

Responsible Party: Records Coordinator

In consultation with and under the direction of Legal Counsel, the institution's Records Coordinator, or designee, will issue an Official Litigation Hold Notice Letter regarding the matter to the appropriate individuals within five (5) business days of receipt of notification of pending litigation or anticipated litigation. The Litigation Hold Notice Letter must state the categories of electronic and paper documents, including ESI, that must be retained until further notice and that electronic information must be preserved in its original electronic form, so that all information contained within it, whether visible or not, is also available for inspection. It is not sufficient to retain only a paper copy of ESI. A Model Litigation Hold Notice Letter is attached to this guideline as Appendix A. Institutions must consult with Legal Counsel prior to issuing a Litigation Hold Notice Letter.

E. EMPLOYEES' COMPLIANCE WITH THE LITIGATION HOLD NOTICE LETTER

Responsible Party: Employee recipients of the litigation hold notice

In response to an official Litigation Hold Notice Letter issued by the institution's Records Coordinator, or designee, all individuals who receive the notice must compile paper and electronic documents and data (including e-mails, voicemails, videos, etc.) as instructed in the notice letter. Electronic records must be retained in the original electronic format (e.g., burned to disk / CD, saved in a secure folder on the system server that is not subjected to unannounced deletion, etc.). It is not sufficient to print paper copies of electronic records as they must be maintained in their original electronic format. It is the responsibility of individuals to whom the litigation hold notice is issued to retain all records that are responsive to the notice until they receive written notification indicating otherwise.

V. ASSESSMENT OF THE LITIGATION HOLD NOTICE PROCEDURE

The Records Coordinator, in conjunction with the appropriate administrators and Legal Counsel, shall assess the effectiveness of the institution's Litigation Hold Notice on a periodic basis, as deemed necessary by the institution. The Records Coordinator shall make certain that necessary revisions to the Litigation Hold Notice are made at the time of the review to address any changes in the institutional organization that may affect the implementation and effectiveness of the Litigation Hold Notice Procedure.

VI. PUBLICATION OF THE LITIGATION HOLD NOTICE PROCEDURE

To promote uniform compliance with the Litigation Hold Procedures by all personnel employed by an institution and to achieve TBR institutions' duty to preserve and retain relevant paper and electronic evidence in federal litigation, institutions shall, at a minimum, display and distribute the Litigation Hold Notice in accordance with the standard distribution methods. The institution's current Litigation Hold Notice Procedures shall be available upon request for review and copy at all times.

**[Standard Litigation Hold Notice Letter]
[TBR Guideline G-____ / Appendix A]**

To: _____

From: _____

Date: _____

RE: LITIGATION HOLD NOTICE LETTER: Notice to Preserve Information and to Prevent Deletion or Destruction of Emails or other Electronic and Paper Files

The Institution has been [sued in federal court] OR [has been threatened with suit in federal court] by _____. _____ can be expected to allege the following wrongful acts by the Institution's employees

_____.

Pursuant to the rules of court, the Institution is required to take all reasonable steps to identify all hard copy and digitally maintained files (e.g., electronic records) that contain documents that may be relevant to the case. The electronic records that must be maintained include, but are not limited to: electronic mail; electronic files of all types (Microsoft Word, Excel, Adobe, etc.); recordings of telephone calls or meetings; voicemail messages; video tapes, and audio tapes. Failure to do so could result in sanctions being issued by the court that could seriously harm our ability to defend the case.

Therefore, it is imperative that you take all reasonable steps to prevent the automatic, intentional or accidental destruction of this information and data, including attorney-client privileged communication. You should conspicuously label any documents or data that include attorney-client privileged communication. IMMEDIATELY HALT ALL ROUTINE HOUSEKEEPING OR DELETION EFFORTS that could modify or destroy the following files:

1. All electronic records / electronically stored information and hard copy document files involving the following:
 - a.
 - b.
 - c.
 - d.
 - e.
 - f.
 - g.

Be advised that any new hard copy or electronic records created after the date of delivery of this letter that are relevant to this matter are not to be destroyed and you must take the appropriate steps to avoid the destruction of such documents. NEW RECORDS THAT ARE SUBJECT TO THIS NOTICE MUST BE RETAINED UNDER THIS LITIGATION HOLD IN THE SAME MANNER AS EXISTING DOCUMENTS.

PRESERVE ALL ELECTRONIC RECORDS IN THE FORM IN WHICH THEY CURRENTLY EXIST UNTIL FURTHER NOTICE. IT IS IMPERATIVE THAT YOU RETAIN THE DOCUMENTS IN THEIR ORIGINAL ELECTRONIC FORM. IT IS NOT SUFFICIENT TO PRINT ELECTRONIC RECORDS AND RETAIN PAPER COPIES.

Other information may be identified as our investigation of the matter continues. I will follow up with you soon to discuss any information that you may have and how we may go about collecting it.

Please return a signed copy of this notice letter prior to _____ indicating that you have received it and understand the instructions that you have received. If you have any questions, please contact me at _____. PLEASE ALSO NOTE THAT THE INSTITUTION'S OBLIGATION IS CONTINUING AND YOU SHOULD NOT DELETE OR MODIFY THESE FILES UNTIL YOU RECEIVE WRITTEN NOTICE FROM ME THAT WE ARE NO LONGER UNDER A DUTY IMPOSED BY THE COURT TO PRESERVE THESE RECORDS.

The Institution will exercise all reasonable methods to protect the privacy of the preserved data. The purpose of this litigation hold notice is to comply with federal law. It is not intended to and should not suggest any assessment of the merits of _____ claim.

I understand that these requirements may create a burden for you and I am prepared to discuss with you any questions or concerns that you may have. I appreciate your cooperation in this matter.

I ACKNOWLEDGE RECEIPT OF THIS LITIGATION HOLD NOTICE AND I UNDERSTAND THAT I HAVE AN AFFIRMATIVE OBLIGATION TO COMPLY WITH THE DIRECTIVES SET FORTH HEREIN.

Employee Name (Print)

Employee Signature

Date

PRESIDENTS QUARTERLY MEETING

DATE: October 29, 2007

AGENDA ITEM: Revision to Policy 4:01:05:00, Internal Audit

ACTION: Vote

PRESENTER: Tammy Gourley

BACKGROUND INFORMATION:

During the June 2007 Audit Committee meeting, the committee requested and made a revision to this policy to require approval by the Director of System-wide Internal Audit for new campus Internal Audit Directors. However, it was subsequently determined that state law requires new auditors to be approved by the Chancellor or designee. The current proposed revision will change this section of the policy to agree with state law.

In September 2007, the Audit Committee amended their Charter to require the committee's review of campus auditors' salaries and to remove the requirement for approval of those salaries.

The current proposed revisions clarify that the termination of campus "Internal Audit Directors," rather than "internal auditors," requires the prior approval of the Chancellor and Audit Committee.

The current proposed revisions incorporate requirements regarding the hiring and termination of the Director of System-wide Internal Audit and central office auditors.

Each of the above revisions will align the policy with the Audit Committee Charter.

POLICY: 4:01:05:00

SUBJECT: Internal Audit

General Statement

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

Internal Audit Personnel

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

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wide Internal Audit and the central office internal auditors is subject to review and approval by the Audit Committee of the Board of Regents.

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5. The termination or change of status of campus Internal Audit Directors (TCA 49-14-106) requires the prior approval of the Chancellor and the Audit Committee of the Board of Regents. The termination or change of status of the Director of System-wide Internal Audit (TCA 49-14-102) or central office internal auditors requires the prior approval of the Audit Committee of the Board of Regents.

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Internal Audit Role and Scope

1. In accordance with T.C.A. § 49-14-102, the Director of System-wide Internal Audit reports directly to the Audit Committee and the Tennessee Board of Regents. Campus internal auditors report to the respective campus President with audit reporting responsibility to the Audit Committee and the Board through the Director of System-wide Internal Audit. TBR hosts periodic meetings and communicates with the audit directors on matters of mutual interests. The Office of System-wide Internal Audit maintains an internal audit manual to guide the internal audit activity in a consistent and professional manner at each institution. This reporting structure assures the independence of the internal audit function.
2. The internal auditors' responsibilities include:
 - a. Working with management to assess institutional risks and developing an audit plan that considers the results of the risk assessment.
 - b. Evaluating institutional controls to determine their effectiveness and efficiency.
 - c. Coordinating work with external auditors, program reviewers, and consultants.
 - d. Determining the level of compliance with internal policies and procedures, state and federal laws, and government regulations.
 - e. Testing the timeliness, reliability, and usefulness of institutional records and reports.
 - f. Recommending improvements to controls, operations, and risk mitigation resolutions.
 - g. Assisting the institution with its strategic planning process to include a complete cycle of review of goals and values.
 - h. Evaluating program performance.
 - i. Performing management advisory services and special requests as directed by the Audit Committee, the Chancellor, or the institution's President.
3. The scope of internal auditing extends to all aspects of institutional operations and beyond fiscal boundaries. The internal auditor shall have access to all records, personnel, and physical properties relative to the performance of duties and responsibilities.

4. The scope of a particular internal audit activity may be as broad or as restricted as required to meet management needs.
5. Objectivity is essential to the internal audit function. Therefore, internal audit personnel should not be involved in the development and installation of systems and procedures, preparation of records, or any other activities that the internal audit staff may review or appraise. However, internal audit personnel may be consulted on the adequacy of controls incorporated into new systems and procedures or on revisions to existing systems.
6. Management is responsible for identifying, evaluating, and responding to potential risks that may impact the achievement of the institution's objectives. The auditors continually evaluate the risk management processes and internal control structures. Internal Audit will receive copies of external audit reviews, program reviews, fiscally related consulting reports, notices of cash shortages, physical property losses, and employee misconduct. These will be considered in the evaluation of risks.

Audit Plans

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

Audit Reports

1. Each routine internal audit should result in a written report that documents the objectives, scope, and conclusion of the audit. Management will include corrective action for each reported finding. Reports on special studies, consulting services, and other non-routine items should be prepared as appropriate, given the nature of the assignment.

2. The Chancellor or institution's President will be notified at the conclusion of a follow-up audit if management has not corrected the reported finding.
3. All internal audit reports will be signed by the institution's Internal Audit Director and transmitted directly to the Chancellor, President, or TTC Director in a timely manner.
4. The President or TTC Director will transmit two copies of the internal audit report to the Director of System-wide Internal Audit. The Director of System-wide Internal Audit will forward one copy of each report to the State Comptroller's Office.
5. The Director of System-wide Internal Audit will provide monthly summaries to the Audit Committee and present results of internal audit reports to the Audit Committee quarterly.

Exceptions

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

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

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: October 29, 2006

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 4:03:02:00 – Motor Vehicles

Guideline B-060 – Fees, Charges and Refunds

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

Guideline B-062 – Other Educational Assistance Programs

New Guideline – Use of Electronic Signatures and Records

POLICY 4:03:02:00

SUBJECT: Motor Vehicles

The purpose of this policy is to establish the minimum regulations and procedures concerning the maintenance and operation of motor vehicles by institutions and employees of the institutions within the Tennessee Board of Regents System.

A. Definitions

1. "State vehicle" or "motor vehicle" - any motor vehicle owned by the Board or an institution ~~or technology center~~ in the System, or purchased or leased from state funds.
2. "Institution" - any university, or community college, or technology center within the Tennessee Board of Regents System, and the offices of the Board of Regents.
3. "Employee" - any person employed full or part-time by an institution or any person serving as an 'official volunteer' at an institution. An 'official volunteer' is defined as a person whom the institution has properly registered with the Tennessee Board of Claims pursuant to Tenn. Code Ann. § 8-42-101(3)(B).

B. General Provisions

1. Motor vehicles are maintained at institutions in the System to facilitate the official business of the System. It is the responsibility of all employees who use state vehicles to ensure the efficient and economical utilization of such vehicles.
2. All state vehicles shall be used in accordance with the provisions of this policy.
3. All state vehicles shall be marked in accordance with the current TBR Marking Plan as contained in Attachment A.
4. **Smoking is prohibited in any motor vehicle that is owned, leased, or operated by the Board or an institution in the System.**

C. Presidents, Chancellor, Vice Chancellors, Legal Counsel, and TTC Directors

The presidents of the institutions, the Chancellor, Vice Chancellors, Legal Counsel, and TTC Directors may be assigned motor vehicles for use in performing the official functions of their offices.

D. Motor Pools

1. Each institution is authorized to maintain a central motor pool from which vehicles may be dispatched by employees for official business.

2. When motor pool vehicles are maintained, an employee who needs to use a motor vehicle on state business shall use a pool dispatched vehicle if one is available, unless the employee elects and obtains authorization to use a personally-owned vehicle as provided in the Board's General Travel Policies and Procedures (No. 4:03:03:00).

3. Motor pool vehicles shall be available for either trip assignments or special assignments. Motor pool vehicles available for trip assignments will be centrally controlled by the institution and made available for specific trips and returned to the motor pool upon completion of trips and shall be used only for official business and not for personal use. Special assignment of motor pool vehicles may be made to a division or a person when necessary for use on a regular basis. Motor pool vehicles, including those used for trip assignments and special assignments, may not be used for commuting purposes unless the employee:

(a) is departing upon or returning from an official trip away from his or her headquarters or the employee needs the vehicle to conduct institution business after regular working hours or before his or her usual working hours on the next day; or

(b) has been recommended by the president or director and approved by the Chancellor to be authorized to use the vehicle for commuting purposes.

E. Authorized Operators and Passengers

1. Only employees of an institution with proper departmental authorization may be authorized to operate a state vehicle for official business. Authorization to use a state vehicle shall be limited to official use within the scope of employment of the employee.

2. All employees must have a valid driver's license prior to being authorized to operate a state vehicle.

3. Passengers in state vehicles shall be limited to the following:

(a) employees of the institution when within the scope of employment;

(b) students of the institution engaged in institutional or school sponsored activities; and

(c) other persons when it is necessary for them to accompany an employee on official business or as guests of the institution.

F. Penalties for Misuse of Vehicles

1. Employees who misuse vehicles will be subject to disciplinary sanctions, depending upon the magnitude of the misuse and the frequency with which it has occurred. Misuse includes any of the following:

- (a) Utilization of radar detection devices in state vehicles;
- (b) Violations of traffic laws; this includes exceeding posted speed limits, reckless driving, and illegal parking;
- (c) Careless operation that results in damage to the vehicle or injury to persons or property;
- (d) Use of a vehicle for personal business or unauthorized commuting purposes; or
- (e) Use of a vehicle contrary to the provisions of this policy.

2. The president of the institution, director of the TTC, or the Chancellor should determine the penalty appropriate for each violation; and in addition may require the employee to pay for damages to the vehicle caused by misuse.

G. Notice of Liability and Penalties for Misuse

A notice of liability and penalties for misuse of motor vehicles (Attachment B) shall be posted at the site where vehicles are normally checked out, and be contained in each vehicle for the benefit of drivers.

H. Exceptions

Any exception to this policy must be approved in writing by the Chancellor.

Source: TBR Meetings, June 29, 1979; June 27, 1980; September 30, 1983; June 29, 1984; June 27, 1986; June 24, 1988; September 21, 1990; March 18, 2005; June 29, 2007.

MARKING PLAN FOR STATE VEHICLES

The provisions of the marking plan are as follows:

- (1) All institutions will develop and/or affix their own individual decal containing a minimum surface area of sixty square inches to all licensed vehicles.
- (2) The identifying emblem will be displayed on the passenger and driver's door unless otherwise stated. Some vans will be marked on the side at mid-panel height, and some institutions will further identify the vehicle as security, maintenance, etc.
- (3) Vehicles assigned to the chancellor, vice chancellors, legal counsel, presidents, and Tennessee technology center directors will carry regular series license plates and no decal identification.

These provisions will remain in full effect until revoked or altered in writing by the Chancellor of the Tennessee Board of Regents.

Source: Memorandum dated February 28, 1986, from Chancellor Thomas J. Garland to the State Commissioners of Finance and Administration and General Services

NOTICE OF LIABILITY AND PENALTIES FOR MISUSE OF MOTOR VEHICLES

In the case of accidents involving employees of the institution operating State vehicles, claims may be made against the institution only through the Division of Risk Management. Claims against the State filed with the Division of Risk Management shall operate as a waiver of any cause of action, based on the same act or omission, which the claimant has against any State officer or employee. The waiver shall be void if the Division of Risk Management determines that the act or omission was not within the scope of the officer's or employee's office or employment. State employees are absolutely immune from liability for wrongs which occur within the scope of the officer's or employee's office or employment. In the event an employee misuses a State vehicle, he or she will be subject to one or more of the following penalties: written reprimand or warning, suspension without pay, dismissal, or payment for damages to the vehicle.

GUIDELINE B-060

SUBJECT: Fees, Charges and Refunds

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

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

I. General Provisions

A. Establishment of Fees and Charges

1. The Tennessee Board of Regents must establish or approve all institutional and technology center fees and charges unless specific exceptions are provided. The Board has adopted a practice of approving changes in fees and charges one time per year at the Board meeting when the annual operating budgets are considered. This is usually the regular June meeting of the Board.
2. The institution president or technology center director is responsible for the enforcement and collection of all fees and charges. Fees and charges which specifically do not require Board approval must receive formal approval by the president or designee, in the case of the technology centers, the Vice Chancellor for Technology Centers.
3. Institutions should attempt to follow a general format in publishing information on fees and charges, including but not limited to the following:
 - a. All statements which include the fee amount should be complete and specific enough to prevent misunderstanding by readers.
 - b. When a fee is quoted, the refund procedures should be clearly stated. If there are qualifying conditions for refunds, those

conditions also should be stated. If there is no refund, it should be labeled as non-refundable.

- c. Whenever possible, specific dates related to the payment of fees and the refund procedures should be stated.
- d. It should be made clear that all fee levels and conditions are subject to change at any time.

B. Approval of Exceptions

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

C. Appeals Process

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

D. Payment of Student Fees

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

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

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

registration privileges and must enroll under the normal registration process.

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

II. Maintenance Fees

A. Description of Fees

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

B. Rates

1. Rates are established by the Board and incorporated in a fee schedule that groups specific full-time and part-time fees; by type of institution (two-year institutions; APSU, ETSU, MTSU, TSU, and TTU; and UOM); and by course/program level (undergraduate and graduate). Developmental courses are charged at the two-year institution hourly rate with the maximum not to exceed the home institution's established full-time rate.
2. Part-time rates are applied based on the level of credit for the course (regular or developmental) and the level of credit for the course, regardless of student level. If a student, part-time or full-time, enrolls in both regular and developmental courses, the rates shall be assessed at the part-time hourly rate for each, with the maximum not to exceed the established full-time rate of the home institution. In an instance where a course may be taken for undergraduate or graduate credit, the student shall pay the rate of the level of credit sought. If a student, part-time or full-time, enrolls in both undergraduate and graduate courses, the rates shall be assessed at the course/program level, with the maximum not to exceed the established graduate full-time rate.

3. Maximum fees may not apply to special offerings between terms, for concentrated courses during a term, or at specific off-campus locations when the institution determines that the course(s) should not be included for purposes of determining maximum fees.
4. For institutions with multiple summer sessions, maintenance fees and tuition may be assessed by using the current part-time rate with no maximum amount for total credit hours enrolled.
5. Maintenance fees may not be waived. However, specific exceptions are provided in the following instances:
 - a. Pursuant to TCA 49-7-113, exceptions exist for certain disabled and elderly students, as well as state service retirees. For audit courses, no fee is required for persons with a permanent, total disability, persons 60 years of age or older and domiciled in Tennessee, and persons who have retired from state service with 30 or more years of service, regardless of age. For credit, a fee of \$70 per semester or \$60 per trimester may be charged to persons with a permanent, total disability, and persons who will become 65 years of age or older during the academic quarter or semester in which they begin classes and who are domiciled in Tennessee. (Note: This fee includes maintenance fees, student activity fees, technology access fees, and registration fees; it does not preclude an application fee, late fee, change-of-course fee, parking fee, special course fee, etc.). This only applies to enrollment on a space available basis, which permits registration no earlier than four (4) weeks prior to the first day of classes.
 - b. Pursuant to TCA 49-7-102, certain statutory fee exceptions exist for dependents and spouses of military personnel killed, missing in action, or officially declared a prisoner of war while serving honorably as a member of the armed forces during a period of armed conflict. If these provisions are invoked by a student, the correct applicable law should be determined.
6. **Military reserve and national guard personnel who are mobilized to active military service within six months of attendance at a TBR institution and whose mobilization lasts more than six months shall be charged upon reenrollment at such institution the tuition, maintenance fees, student activity fees and required registration or matriculation fees that were in effect when such student was enrolled prior to mobilization. After reenrollment, no increase in tuition, maintenance fees,**

student activity fees or required registration or matriculation fees shall be assessed to such student until a period of time equal to one year plus the combined length of all military mobilizations has elapsed. In no event, however, shall a student's tuition and fees be frozen after reenrollment for more than four years.

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

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

C. Accounting Treatment

1. A revenue account for Maintenance Fees is used to record both the revenue assessed and refunds made.
2. As provided in GASB Statements 34 and 35, summer school revenues and expenditures must be accrued at fiscal year-end. Summer school activity will not be allocated to only one fiscal year.
3. In some cases full fees are not assessed to students. These occur when statutes establish separate rates for such groups as the disabled, elderly, and military dependents. The difference between normal fees and special fees is not assessed. Fees not assessed in these cases do not represent revenue. For administrative purposes the fees may be calculated and credited to revenue, then written off against a contra revenue account.
4. Agreements/contracts may be executed with a third party (federal agency, corporation, institution, etc.), but not with the individual student, to deliver routine courses at a fixed rate or for the cost of delivering the course and may provide for fees not to be charged to individual students. Individual student fees will be assessed as usual and charged to the functional category Scholarships and Fellowships. The amount charged to or paid by the third party is credited to the appropriate Grants and Contracts revenue account.

5. In some cases a non-credit course provides an option to grant regular credit. If a separate (or additional) fee is collected because of the credit, that amount is reported as Maintenance Fee revenue.
6. Full-time employees of the Tennessee Board of Regents and the University of Tennessee systems may enroll in one course per term at any public postsecondary institution, with fees waived for the employee. No tuition paying student shall be denied enrollment in a course because of enrollment of TBR and UT employees. Spouses and dependents of employees of the Tennessee Board of Regents system may be eligible for a student fee discount for undergraduate courses at Tennessee Board of Regents institutions (including technology centers) and the University of Tennessee.

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

III. Out-of-State Tuition

A. Description of Fee

1. This is an additional fee charged to students classified as non-residents who are enrolled for credit courses, including audit courses. This fee is in addition to the maintenance fee.
2. Out-of-state tuition fee rates are established by the Tennessee Board of Regents and are incorporated in the annual fee schedule.
3. This fee is the same for graduates and undergraduates at all institutions and includes a rate per student credit hour with a maximum fee. The maximum does not apply to special offerings in the same cases that the maximum maintenance fee does not apply.
4. Applicability of out-of-state tuition is determined pursuant to Tennessee Board of Regents Policy on Regulations for Students In-State and Out-of-State for the Purpose of Paying College or University Fees and Tuition and for Admission Purposes (No. 3:05:01:00). The business office will collect fees based upon student

classification as determined by the appropriate authority within the institution.

B. Accounting Treatment

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

IV. Debt Service Fees

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

V. Student Fees

- A. A student government activity fee may be established pursuant to T.C.A. § 49-8-109. Any increase in this fee shall be subject to a referendum for student body approval or rejection. The fee will be administered in accordance with the provisions adopted by each institution. These fees will be restricted current funds additions. These fees are refundable on the same basis as maintenance fees or as established by the institution.
- B. Student activity fees (other than student government activity fees) will be approved by the Tennessee Board of Regents. Such fees may be recommended by each institution based on services to be provided which are related to the activity fee. These fees will be unrestricted current funds

revenues. These fees are refundable on the same basis as maintenance fees or as established by the institution.

VI. Specialized Academic Fees

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

- A. High Cost of Instruction. Programs qualifying for charging specialized academic fees must demonstrate that they are more costly than other programs offered by the institution. If appropriate, the extraordinary cost of the program must be validated including benchmarking with similar programs in the region and nation.
- B. High Demand. The number of students enrolled in the program and the student credit hours generated are sufficient to justify additional fees.
- C. High Cost of Updating/Maintaining Equipment and Software. Programs qualifying for charging specialized academic fees are expected to be those that require extensive maintenance and regular updating of equipment and/or software, all of which are very expensive. An average hardware/software cost per student credit hour serves as the basis for determining the amount of the fee.
- D. Accreditation. Meeting standards of specific accrediting agencies may also qualify a specialized program for charging specialized academic fees. The accrediting standards that justify a fee are those that specify the possession and use of certain equipment and unique software that are extraordinarily costly and/or the employment of faculty with specific credentials that demand high salaries.
- E. High Recognition and Quality. The programs approved for specialized academic fees are expected to be distinctive and with a regional or national reputation. The program must demonstrate that it has achieved exceptional recognition in its particular enterprise.
- F. High Value to Tennessee. The program must demonstrate that it is a good investment for the State of Tennessee to justify charging extra fees to the student. The program should be distinctive and not one duplicated in other TBR institutions and should be of integral value to Tennessee. The graduates' earning potential and the associated benefit to the state economy

should be projected, as well as the efforts taken by the institution to aid graduates in finding appropriate employment in Tennessee.

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

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

VII. Miscellaneous Course Fees

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

VIII. Incidental Fees and Charges

A. Uniform Rates and Policies

Institutions

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

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

Associate Degree	\$25.00
Baccalaureate	30.00

Master and Specialist	35.00
Doctor and Juris Doctor	45.00

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

3. Late Exam Fee: None

Institutions and Technology Centers

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

Technology Centers

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

- B. Other Fees and Charges Subject to Board Approval

Institutions

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

1. Motor Vehicle Registration - nonrefundable. A fee may be levied by each institution per academic year, per fiscal year and/or per academic term for motor vehicle registration, and such fee shall be applicable to each student, faculty and staff member.
2. Campus Access Fee - At institutions where registration of specific vehicles is not necessary and where traffic control is not a significant concern, a campus access fee may be assessed in lieu of a motor vehicle registration fee. It is refundable on the same basis as maintenance fees or as established by the institution.

3. Post Office Box and/or Postal Service Fee - nonrefundable. There may be a charge for the U.S. Post Office box or for any special arrangements for delivery of U.S. mail and it will be applicable to any person who has a U.S. Post Office box or who has made special arrangements through which regular U.S. mail may be received.
4. Traffic Fines - nonrefundable. These fines will apply to all employees and students.
5. Applied Music Fees. This fee is charged for private music lessons or small group training sessions. It is refundable on the same basis as maintenance fees or as established by the institution.
6. Late Registration Fee. A late registration fee up to \$100 will be charged during the entire period of late registration. The effective date of the fee will be determined by each institution.
7. Facilities Fee. This fee will be used to improve facilities and fund expenditures such as replacing carpets in student lounges, remodeling classrooms, etc. The fee would not be used for routine maintenance or new construction, but would be used to make improvements to areas that have an impact on students. The intended projects will be disclosed during the normal budget cycles. The fee is refundable on the same basis as maintenance fees.

Institutions and Technology Centers

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

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

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

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

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

The following fees and charges may be established and administered by each institution. No specific approval or notification to the Tennessee Board of Regents will be required unless subject to other Board or State requirements. The institution or technology center will establish appropriate refund policies. Technology center fees and charges in this category must be approved by the Vice Chancellor for Technology Centers.

1. Sales of goods and services of a commercial nature, including bookstores, food services, vending, laundry and similar activities.
2. Rental of non-student housing and facilities.
3. Admissions fees to athletic and other events open to the public, including special events sponsored by campus organizations and activities.
4. Sales and services of educational activities such as clinical services, publications, etc.
5. Registration for conferences, institutes, and non-credit activities (see X.D.).
6. Fees for use of campus facilities for recreational purposes.
7. Parking permits and parking meters for use by guests and visitors.
8. Technology centers may assess a fee for specific school instructional projects to defray incidental costs incurred by the technology center in performing the project.
9. Nonrefundable library fines, which will apply to students, faculty, staff, and other library users.
10. Thesis and dissertation fee - nonrefundable. The fee will be determined based upon cost to the institution.

11. Child Care Fees - Kindergarten, Preschool, Early Childhood, Day Care, or similarly defined activities. The refund policy will be established by the institution.
12. Special Exam Fee - nonrefundable. The fee will be determined based upon cost to the institution.
13. Standardized Test Fees - nonrefundable. The fee will be determined based upon the cost for administering the tests.
14. Identification Card Replacement - nonrefundable. There will be no charge for the original identification card. A fee may be set by each institution to offset the cost of replacing the card. This fee applies only to student ID cards and not to faculty and staff ID's.
15. Change of Course or Section Fee - nonrefundable. If the change is caused by the institution, there will be no charge for the change. If two or more forms are used at one time, they will be treated as one change/form. Institutions may waive the fee for schedule changes.

IX. Deposits

- A. Breakage deposits may be recommended by the institution for Board approval for courses in which it can be shown that there is a reasonable chance of loss or damage to items issued to students. The amount of the deposit should be related to the materials issued and subject to a 100% refund.
- B. A deposit may be established by the institution for rent or lease of buildings and facilities or for the issuance of other institutional property or equipment. Deposits should be subject to a 100% refund if no damage or loss occurs. The amount of such deposits should be related to the value of the facilities or equipment subject to loss and the general ability of the institution to secure reimbursement should loss or damage occur.
- C. Pursuant to Tennessee Board of Regents Policy on Student Residence Regulations and Agreements (No. 3:03:01:00), each institution is authorized to require a security deposit for residence hall facilities which may be forfeited by the student for failure to enter into a residence agreement or non-compliance with applicable agreement terms.

X. Student Residence Hall and Apartments

All regular and special rental rates for student dormitories and student apartments will be approved by the Tennessee Board of Regents upon the recommendation of

the institution. A \$5.00 late payment fee shall be assessed. Each institution may recommend special rates for non-student groups during summer periods, etc.

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

XI. Other Fee and Charge Considerations

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

- A. Fees may be established to control the utilization of facilities and services or to offset the cost of extraordinary requirements as a result of specific programs or activities. [Reference Tennessee Board of Regents Policy on Use of Campus Property and Facilities (No. 3:02:02:00).]
- B. When fees and charges are incorporated in agreements with outside contractors and vendors, specific rates, refunds and conditions must be clearly stated.
- C. Fees for auxiliary services must take into consideration that Auxiliary Enterprises should be a break-even operation with rates and charges generating revenue sufficient to cover all expenses as defined in operating budget guidelines.
- D. Fees established for non-credit courses and activities shall be sufficient to cover the total costs incurred in providing instruction plus a minimum of 25% of the annual instructional salary costs including contractual salary costs or personal services contracts.
- E. Students enrolled for six or more hours are eligible for full-time privileges, i.e., access to social, athletic, and cultural functions, pursuant to T.C.A. § 49-8-109.

XII. Refunds

Refunds of 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 or credit of mandatory fees. Housing and meal ticket charges may be prorated based on usage.

A. Maintenance Fee Refunds

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 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 25% of the length of the term. There is no refund after the 25% period ends.
4. For summer sessions and other short terms, the 75% refund period and the 25% refund 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 periods will be rounded to whole days and the date on which each refund 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 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.

B. Out-of-State Tuition Refunds

The refund 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. When 100% of maintenance fees are refunded, 100% of out-of-state tuition also is refunded. Calculation procedures are the same as those specified for maintenance fees.

C. Debt Service Fee Refunds

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

D. Student Residence Hall/Apartment Rent and Deposit Refunds

1. Refund of residence hall rent after registration will be prorated on a weekly calendar basis when the student is forced to withdraw from the residence hall: (1) because of personal medical reasons confirmed in writing by a licensed physician, or (2) at the request of the institution for other than disciplinary reasons. Full refund will be made in the case of the death of the student. Withdrawals for other reasons will be subject to the same 75%/25% amounts and time periods as maintenance fees. No refund will be made other than under the above conditions.

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

E. Meal Plan Refunds

Each institution with meal plans should develop appropriate refund procedures.

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

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 the various programs with the exception of the program for dependents of veterans (B-061) and two programs offered to general state employees and the dependents of licensed teachers and State employees (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. 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, **RODP on-line course fee**, or registration fees. 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; President Meeting, May 15, 2007.

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 program for dependents of veterans (B-061) and two programs offered to general state employees and the dependents of licensed teachers and State employees (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 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 an undergraduate degree or certificate; *or*
 - b. The spouse has accumulated ~~one hundred fifty (150)~~ **one hundred thirty-five (135)** semester hours **excluding required remedial or developmental 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)~~ **one hundred thirty-five (135)** semester hours **excluding required remedial or developmental 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 **as listed in TCA 49-7-102** 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 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, 200

Guideline No. B-_____

SUBJECT: USE OF ELECTRONIC SIGNATURES AND RECORDS

I. PURPOSE

This guideline establishes when an electronic signature may replace a written signature and when an electronic record may replace a paper document in official activities of the Tennessee Board of Regents (TBR) and its institutions.

II. REFERENCES

Tennessee Code Annotated § 47-10-101, et.seq. – Tennessee Uniform Electronic Transactions Act

Tennessee Code Annotated § 10-7-101, et.seq. – Tennessee Public Records Act

TBR Guideline G-070 – Disposal of Records-RDA 2161

TBR Policy 1:08:00:00 – Information Technology Resources

III. SCOPE

This guideline applies to the TBR Central Office and all TBR Institutions, and applies to all forms of electronic signatures and electronic records used to conduct the official business of the TBR and its institutions. Such business shall include, but not be limited to electronic communications, transactions, procurements, contracts, grant applications and other official purposes.

IV. DEFINITIONS

- A. An "electronic signature" is defined as an electronic sound, symbol, or process, attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record. An electronic signature must be attributable (or traceable) to a person who has the intent to sign the record with the use of adequate security and authentication measures that are contained in the method of capturing the electronic transaction (e.g., use of personal identification number or personal log-in identification username and password), and the recipient of the transaction must be able to permanently retain an electronic record of the transaction at the time of receipt.
- B. An "electronic record" is defined as any record created, used, or stored in a medium other than paper, such as: information processing systems, computer equipment and programs, electronic data interchanger, electronic mail, voice mail, text messages, information in PDAs and similar technologies. To the extent that facsimile, telex, and/or telecopying, and/or former hard copy documents are retained in electronic form, through a scanning process, they are also considered electronic records.
- C. A "record" is information that is inscribed in a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form. Financial and other documents or forms are records.

- D. An "electronic transaction" is a transaction conducted or performed, in whole or in part, by electronic means or electronic records.
- E. "Electronic" relates to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
- F. An "approved electronic signature method" is one that has been approved in accordance with this guideline and applicable state and federal laws, and which specifies the form of the electronic signature, the systems and procedures used with the electronic signature, and the significance of the use of the electronic signature.
- G. A "certificate" is an electronic document used to identify an individual, server, a company, or some other entity and to associate that identity with a public key. A certificate provides generally recognized proof of an entity's identity.
- H. "Public-key" infrastructure (PKI) is a form of information encryption that uses certificates to prevent individuals from impersonating those who are authorized to electronically sign an electronic document. A "public key" is a value provided by some designated authority as a key that, combined with a "private key" derived from the public key, can be used to effectively encrypt messages and digital signatures.
- I. A "private key" is an encryption/decryption key known only to the party or parties that exchange messages. In traditional private key cryptography, a key is shared by the parties so that each can encrypt and decrypt messages.
- J. "Approval Authority", for purposes of this guideline, shall mean the Chancellor, the President of an institution or the Vice Chancellor for the Tennessee Technology Centers or designee. An electronic signature created through the use of Public Key Infrastructure (PKI) or any method that permanently encrypts a record must be approved by the TBR Chief Information Officer. The TBR Chief Information Officer shall forward information regarding the PKI signature method to the Office of Information Resources (OIR) for approval.

V. USE OF AN ELECTRONIC SIGNATURE

A. Mutual agreement by the parties

This guideline applies only to transactions between parties each of which has agreed to conduct transactions by electronic means. Whether the parties agreed to conduct a transaction by electronic means is determined from the context and surrounding circumstances, including the parties' conduct.

B. Signature required by TBR or Institutional policy

1. When a TBR or Institutional policy requires that a record have the signature of an authorized person, that requirement is met when the electronic record has associated with it an electronic signature using an approved electronic signature method.

2. When a TBR or Institutional policy requires a written signature on a document, that requirement is met when an electronic document has associated with it an electronic signature using an approved electronic signature method.
- C. Signature required by law
1. When there is a legal requirement, in addition to TBR or Institutional guideline, that a record have the signature of an authorized person, that signature requirement is met when the electronic record has associated with it an electronic signature using an approved electronic signature method which complies with applicable TBR/institutional policy, Tennessee law, and federal law.
 2. When a legal requirement, in addition to TBR or Institutional policy, requires a written signature on a document, that requirement is met when an electronic document has associated with it an electronic signature using an approved electronic signature method, which complies with applicable TBR/institutional policy, Tennessee law, and federal law.
- D. The signing of a record using an approved electronic signature method does not mean that the record has been signed by a person authorized to sign or approve that record. Appropriate procedures must be used to confirm that the person signing the record has the appropriate authority and intent to sign the record .
- E. If parties have agreed to conduct a transaction by electronic means and a law requires a person to provide, send, or deliver a signed document to another person, the requirement is satisfied if the information is provided, sent, or delivered, as the case may be, in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to permanently retain the electronic record containing the signature.

VI. APPROVAL OF ELECTRONIC SIGNATURE METHODS BY THE APPROVAL AUTHORITY

- A. The final approval of any electronic signature method will be by the approval authority. In determining whether to approve an electronic signature method, consideration will be given to the systems and procedures associated with using that electronic signature, and whether the use of the electronic signature is at least as reliable as the existing method being used. This determination will be made after a review of the electronic signature method by the appropriate authorities.
- B. If approved electronic signature methods require the use of encryption technology that uses public or private key infrastructure and/or certificates, the Information Technology Department at the Institution, will be responsible for the administration of such public or private keys and certificates, and information will be provided to TBR's Information Technology Department.

- C. An approved electronic signature method may limit the use of that method to particular electronic records, particular classes of electronic records, or particular TBR or institutional departments. An electronic signature used outside of its defined parameters will not be considered valid by TBR or the Institution.
- D. In the event that it is determined that a previously approved electronic signature method is no longer trustworthy, the approval authority must revoke the approval of that electronic signature method. If there is an on-going need for electronic signatures, which were made by the revoked method, the approval authority will take steps to see that appropriate electronic signatures are obtained by an approved electronic signature method.
- E. An inventory of all approved electronic signature methods shall be maintained by the TBR Office of Information Technology.

VII. RULES AND PROCEDURES

With respect to the use of electronic signatures or electronic transactions, the following requirements pertain to approved electronic signature methods:

- A. Specific transactions that may be conducted by electronic means must be identified;
- B. Specific transactions that may not be conducted by electronic means must be identified;
- C. The manner and format in which electronic records must be created, generated, sent, communicated, received, and stored, and the systems established for those purposes must be specified;
- D. The method must:
 - 1. Comply with any law or regulation that requires electronic records which must be signed by electronic means;
 - 2. Specify the type of electronic signature required, the manner and format in which the electronic signature must be affixed to the electronic record, and the identity of, or criteria that must be met, by any third party used by a person filing a document to facilitate the process;
- E. Control processes and procedures must be developed to ensure adequate preservation, disposition, integrity, security, confidentiality, and auditability of electronic records;
- F. Control processes and procedures must be developed for any other required attributes for electronic records that are specified for corresponding non-electronic records or that are reasonably necessary under the circumstances;
- G. An inventory of all approved electronic signature methods must be maintained; and
- H. Approval of an electronic signature method must be obtained as follows:

1. Conduct an analysis of the nature of a transaction or process to determine the level of protection needed and the level of risk that can be tolerated. The analysis shall include:
 - (a) Analyzing the full range of technological options and follow commercial trends where appropriate
 - (b) Identifying and documenting any potential costs, quantifiable and unquantifiable, direct and indirect, in performing a cost/benefit analysis;
 - (c) Developing a comprehensive plan for converting a traditional process to an electronic one; and
 - (d) Identifying all information relevant to the process.
2. Comply with G-070 for the records produced by electronic processes, including long-term retention where necessary. Consider retaining an electronic document in paper-based form for important or sensitive contexts;
3. Request legal review to verify that the electronic signature method complies with applicable laws governing the creation and use of electronic signatures
4. Outline the steps of the electronic signature method so that you can demonstrate the reliability of your process;
5. Submit to the approval authority;
6. Implement upon approval; and
7. Provide implemented method to the TBR Central Office.

VIII. SANCTIONS

Any individual or party that makes inappropriate or illegal use of electronic signatures, transactions and/or records is subject to sanctions up to and including dismissal, suspension, and criminal prosecution as specified in published TBR and institutional policies, Tennessee and federal laws.

Source:

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: October 29, 2007

AGENDA ITEM: **Proposed Revisions to Policies and Guidelines**

ACTION: Requires Vote

PRESENTER: Vice Chancellor Bob Adams and General Counsel
Chris Modisher

BACKGROUND INFORMATION:

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

- Policy 5:01:01:09 Bereavement Leave

Proposed revision - Pro-rated bereavement leave for part-time employees

- Policy 5:01:01:01 Annual Leave

Proposed revision - Terminal Leave option for retirees only

- Policy 3:05:01:01 Alcoholic Beverages and Smoking

Proposed revision –Smoking shall be prohibited in all buildings owned or operated by a TBR institution and in all motor vehicles owned, leased or operated by a TBR institution language added and other administrative changes to the Alcoholic Beverage policy.

- Guideline P-130 Support for Educational Assistance

Proposed revision – Any public or private institution language added to Clerical & Support Staff program. Administrative changes to Clerical & Support Staff program, and Faculty and Administrative/Professional program.

Policy No. 5:01:01:09

Subject: Bereavement Leave

It is the policy of the Tennessee Board of Regents to provide all regular, full-time and part-time employees time off without loss of pay due to the death of an immediate family member as defined below, consistent with Chapter 1010 of the Public Acts of 1988 and Chapter 51 of the Public Acts of 1989.

An employee who is absent during his/her regularly scheduled work week due to the death of an immediate family member shall receive payment for reasonable and customary days absent, such days of payment not to exceed three (3) regularly scheduled work days. Immediate family shall be deemed to include 1) spouse; 2) child, step-child; 3) parent, step-parent, foster parent, parent-in-law; 4) sibling(s); and 5) grandparents and grandchildren. In addition to the three (3) regularly scheduled work days, sick leave not to exceed two (2) days may be granted at the discretion of the appropriate approving authority in the instance of death of one of the immediate family members listed above.

Regular part-time employees, including academic personnel scheduled to carry less than a full teaching load or its equivalent, regardless of probationary status, shall be eligible to receive bereavement leave on a prorated basis equal to the percentage of their employment to full-time employment.

Source: September 16, 1988 Board Meeting; June 30, 1989 Board Meeting; September 25, 1995 Board Meeting; March 7, 1997 Board Meeting.

POLICY 5:01:01:01

SUBJECT: Annual Leave

It is the policy of the Tennessee Board of Regents to provide all regular full-time and part-time employees with regular periods of rest and relaxation away from the work environment and to recognize length of service. The appropriate approving authority may require key administrative personnel to take a certain number of consecutive days of annual leave each year.

All personnel entitled to accrue annual leave may request use of annual leave at any time preferred by application to their proper approving authority. Such requests are subject to the discretion of the approving authority, who is responsible for planning the work under his or her control, and should be approved only at such times as the employee can best be spared.

In addition, annual leave may be used to remain in an active pay status by an employee who has exhausted all sick leave and whose continued absence has been approved in accordance with Sick Leave Policy 5:01:01:07 and/or Family and Medical Leave Act Policy 5:01:01:14. However, annual leave may not be used intermittently with leave without pay during a continuous FMLA leave period.

I. Eligibility to Accrue Annual Leave

A. Regular full-time employees (excluding nine, ten and eleven month faculty) regardless of probationary status, shall be eligible to accrue annual leave.

B. Regular part-time employees, including twelve month academic personnel (excluding nine, ten and eleven month faculty) scheduled to carry less than a full teaching load or its equivalent, regardless of probationary status, shall be eligible to accrue annual leave on a prorated basis equal to the percentage of their employment to full-time employment.

C. Nine, ten and eleven month academic personnel, full or part-time, whether or not compensated over a twelve-month period, shall not be eligible to accrue annual leave.

D. Temporary employees shall not be eligible to accrue annual leave. Temporary employees who are subsequently appointed as regular employees with no break in service shall become eligible to accrue annual leave and shall receive annual leave balances accrued retroactively from the date of employment. Temporary clerical and support personnel who subsequently become eligible to accrue annual leave shall also receive retroactive credit for service from the date of employment for the purpose of calculating annual leave accrual rates.

E. All full-time and part-time employees who are employed pursuant to funds available to the institution or school through grants or contracts are not eligible to accrue annual leave unless the grant or contract involved provides sufficient funds to cover the costs of such

leave, or unless eligibility to accrue annual leave is approved by the president of the institution or director of the technology center.

F. Student employees shall not be eligible to accrue annual leave.

II. Annual Leave Accrual

A. Regular full-time clerical and support personnel (non- exempt) shall accrue annual leave in accordance with the following schedule:

Years of Service	*Accrual Rate Per Month	*Maximum Annual Accumulation	*Maximum Total Accumulation Within FY	*Maximum Accumulation Carried Forward to Next FY
0 - 5	7.5	90.0	315.0	225.0
5 - 10	11.3	135.6	405.6	270.0
10 - 20	13.2	158.4	450.9	292.5
20 or more	15.0	180.0	495.0	315.0

* Number of hours.

B. Executive, administrative and professional personnel (exempt), and twelve month academic personnel (faculty) who are regular full-time employees, who are exempt from the provisions of the Federal Wage and Hour Law, shall accrue annual leave at the rate of 15 hours per month, with the maximum accumulation of 315 hours to be carried forward to the next fiscal year.

C. All regular part-time personnel employed on a twelve-month basis and regular part-time personnel on MODFY (modified fiscal year) appointments shall accrue leave on a prorated basis equal to the percentage of their employment compared to full-time employment, with said percentage to be applied to the rate of accrual and maximum accumulation described in items A and B of this section, as applicable.

D. Eligible employees shall accrue annual leave from the date of employment. (See Section I, item D, providing for retroactive credit for temporary employees who subsequently become eligible to accrue annual leave.)

E. Eligible employees earn and accrue annual leave for each month upon completion of a major fraction thereof (i.e., more than fifty percent (50%) of the number of days in the month), and leave may be used when earned, regardless of an employee's probationary status, subject to the discretion of the approving authority.

Annual leave may not be taken before it is earned.

F. Employees otherwise eligible to earn annual leave do not earn or accrue annual leave while on leaves of absence.

G. When an employee who is eligible to accrue annual leave transfers into a nine-month academic position (thus becoming ineligible to accrue annual leave), the employee shall take all of his or her accrued annual leave prior to the date of transfer unless the appropriate approving authority determines that the services of the employee must continue until the date of transfer. In that event, the employee shall be paid for all of his or her accrued annual leave by a lump sum payment at the time of transfer.

H. MODFY employees who are employed during the period which would normally be the non-duty period of their appointment shall accrue annual leave in accordance with items A and B of this section for each month of full-time employment. For part-time employment during that period, MODFY employees shall accrue annual leave on a prorated basis in accordance with item C of this section.

I. Years of Service for Determining Accrual Rate

1. Anniversary date for computation of leave shall be the beginning date of employment for each employee, except when adjustments in the date must be made because of periods of non-accrual, i.e., leaves of absence, temporary breaks in employment, etc. The rate of accrual for employees will be effective the month following the anniversary date. Annual leave shall be accounted for and controlled for maximum accumulation purposes on a fiscal year basis.

2. In determining the amount of full-time or prorated part-time service accrued by an employee, all service accumulated while employed in any agency, office, or department of the State of Tennessee, or in any state college, university, institute, or technology center shall be credited for purposes of leave computation. In addition, any employee who was employed by a public school system as defined in T.C.A. section 49-1-103 and who becomes an employee eligible to accrue leave in this System shall receive credit for service with said public school system for leave accrual purposes after employment in this System for one continuous year. In order to be eligible to receive credit for the prior service the employee must begin employment in this System within two (2) years from the date of termination with the public school system.

J. Maximum Accumulation

The accumulation of annual leave shall not exceed the maximum accumulation indicated in items II.A and II.B of this section, or the proration thereof under item II.C. Annual leave in excess of the maximum may be used during the year in which the excess accrues; in the event it is not so used, it will be transferred to the employee's accumulated sick leave at the close of the fiscal year, unless the employee is on terminal leave, in which case the full amount of accrued annual leave shall be carried forward.

III. Disposition of Accrued Annual Leave Upon Termination

A. Except as otherwise provided and subject to the limitations stated in this section, upon termination of employment with the Board of Regents or one of its institutions or technology centers, an employee shall be paid for all accrued but unused annual leave he or she may have as of his or her last working day. Payment shall be by lump sum payment upon separation for reasons other than Retirement. Upon Retirement payment shall be, at the option of the employee, either by terminal leave or by lump sum payment. Whether payment is by terminal leave or lump sum payment, and whether termination is voluntary or involuntary, the discretion to determine the employee's last working day is reserved to the appropriate appointing authority. Of course, the employee retains the right to make his/her last working day a date prior to the date established by the appointing authority. In either option, payment should be made with the employee's normal payroll cycle.

Deleted: , at the option of the employee, either by terminal leave or

B. (1) Terminal leave is that period during which an employee remains on the payroll beyond his or her last working day until all of his/her accrued annual leave has been exhausted.

(2) If a retiring employee elects to be paid for his or her accrued but unused annual leave by terminal leave, the date on which his or her annual leave is exhausted shall be the official date of retirement.

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(3) During a period of terminal leave, an employee shall not earn additional annual or sick leave, shall not be eligible to use sick leave, and shall not be eligible for any salary increase. However, an employee shall receive credit for any official holiday occurring during a period of terminal leave and shall receive the longevity bonus if the anniversary date occurs during the period of terminal leave.

(4) During a period of terminal leave, an employee shall continue to be eligible for group health insurance coverage. Premiums for the coverage shall be deducted from his or her terminal leave payments if continued coverage is elected.

C. If a terminating employee elects to be paid for his or her accrued but unused annual leave by lump sum payment, the employee's last working day shall be the official date of termination.

D. Payment for accrued annual leave under this section shall not be limited to the maximum accumulation amount which may be carried forward from one fiscal year to the next if the last working day occurs prior to July 1 (even if the terminal leave period extends beyond July 1).

E. In the case of death, payment for an employee's unused accrued annual leave shall be made to the employee's estate or designated beneficiary.

F. An employee who transfers to another System institution or technology center or another state agency shall not be paid for his or her accrued but unused annual leave. Rather, all unused annual leave shall be transferred to the other institution or technology center or state agency. (In accordance with Policy No. 5:01:01:06.)

G. An employee who is dismissed for gross misconduct, or who resigns or retires to avoid dismissal for gross misconduct shall not be entitled to any compensation for accrued but unused annual leave at the time of dismissal. (For the definition of gross misconduct, refer to Policy 5:01:00:00.)

Source: TBR Meetings: August 15, 1975, June 25, 1976; December 2, 1977; June 30, 1978; June 29, 1979; June 26, 1981; September 18, 1981; September 24, 1982; June 24, 1983; September 30, 1983; June 28, 1985; June 26, 1987; December 4, 1987; September 16, 1988; March 17, 1989; March 16, 1990; June 25, 1993; April 2, 2004 (Approved by Finance and Administration, April 23, 2004)

Note: The provisions of this policy adopted at the August 15, 1975 meeting, became effective on January 1, 1976, and changes in eligibility to earn leave or in the amount of leave earned for period of service were prospective only.

DRAFT

PROPOSED REVISION TO:

POLICY 3:05:01:01

SUBJECT: Alcoholic Beverages and Smoking

The use and/or possession of alcoholic beverages on university, community college, and technology center owned or controlled property shall be prohibited except as provided by Policy 1:07:00:00.

Smoking shall be prohibited in all buildings owned or operated by a TBR institution. Smoking shall also be prohibited in all motor vehicles owned, leased or operated by a TBR institution.

The prohibition on smoking shall be communicated to all existing employees and to all prospective employees upon their application for employment. "No Smoking" signs or the international "No Smoking" symbol shall be clearly and conspicuously posted at every entrance to every building.

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

Support for Educational Assistance

P-130

IV. Clerical and Support Staff Tuition or Maintenance Fee Reimbursement

Program (PERTAINS ONLY TO CREDIT COURSES TAKEN AT ANY PUBLIC OR PRIVATE INSTITUTION OF HIGHER LEARNING)

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

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A. Eligibility

1. This program is available to all regular part-time and full-time clerical and support staff employees who have been employed by the institution/technology center/Central Office for at least six months. Regular part-time employees may receive a pro rata portion of assistance based on percentage of employment. Employees with prior temporary service immediately preceding regular employment shall receive credit for such service if they qualify for leave accrual and longevity adjustments.
2. In addition, employees who retire with at least 10 years of service maintain eligibility under this program.
3. The status of an employee on the published first day of classes for each term determines eligibility for participation in this program. Any change in status after the first day of classes shall not affect eligibility for that term or the amount of assistance received.

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

1. This program is designed to provide maintenance or tuition-related fees for a maximum of six (6) credit hours per term, with a maximum of 4 terms per year. An employee may enroll in more than one course during the summer as long as the summer terms in which the courses are to be taken do not overlap. Tuition-related fees may include maintenance fees, tuition, debt service fees, technology access fees, service charges and incidental fees payable at the time of registration. The institution may elect to pay RODP fees for the employee, subject to departmental budget constraints.

The employee will be responsible for application fee and required deposits, laboratory fees, etc.

2. Employees must meet the requirements for admission and are subject to institutional regulations and academic procedures.
3. Employees enrolled in specialized graduate degree programs or similar concentrated programs at public or private institutions of higher learning for which fees are in excess of the prevailing graduate fee rates shall be reimbursed equivalent to the maximum fee waiver they would receive if they enrolled in any non-concentrated graduate courses for that semester (i.e., six hours times the published graduate hourly fee at the institution attended).

C. Payback Provisions

1. The recipient, unless retired, shall be required, after completion of the course or courses, to be employed by the institution/technology center/Central Office for not less than one (1) month of full-time employment for each month of the term of participation in the Clerical and Support Staff Tuition or Maintenance Fee Reimbursement Program.
2. Participants must complete with passing grades all courses in which they enroll under this program in order to take subsequent courses in this program. A grade of Incomplete or Withdrawal after the drop/add deadline is not considered as achieving a passing grade. The employee must pay for and successfully complete the same number of semester hours before again being eligible for this program. Exceptions will be made only in cases (1) where a course is failed for valid health reasons or (2) where another substantial reason has been approved by the president/director/Chancellor or his/her designee.
3. Complete materials supporting individuals' requests shall be maintained. Each recipient shall be required to provide the president/director/Chancellor with affirmed grade reports for the course(s) taken.

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D. When the Participant May Attend

1. After the employee has made application to and received final acceptance from the institution, the employee must submit the request to his or her supervisor two weeks prior to registration.

Employees, in counsel with their supervisors, must limit the number of credit hours in which they enroll 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 the use of annual leave or flextime, based on the needs of the institution, has been approved.

E. Accounting/Budgeting Provisions

1. Requests for approval to participate in the Clerical and Support Staff Maintenance Fee Payment Program shall be submitted on a Clerical and Support Staff Maintenance Fee Payment Program form which is available in the Office of Human Resources. (See Appendix D.)
2. The institution/technology center/Central Office may provide reimbursement at the time fees are due; however, it is the obligation of the recipient to repay them if course work is not satisfactorily completed. If the employee is required to pay fees when due, fees may be paid in accordance with the provisions of Deferred Payment Plan Guideline B-070, provided a Deferred Payment Plan has been implemented at the institution the employee is attending.

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_____ The institution/technology center/Central Office where the person is an employee shall account for the chargeback as an employee benefit to indicate the employer (institution/technology center/Central Office) is paying the cost for the benefit of the employee. The charged institution/technology center/Central Office shall remit the tuition fees to the institution providing instruction as maintenance income.

F. Where the Participant May Attend

Participants may attend accredited public and private institutions of higher education. Requests for participants attending public institutions will be reimbursed at the current semester hour rate for that institution. For individuals who wish to attend other than a Tennessee public institution under this program, reimbursement will not exceed the current semester hour rate for a Tennessee public institution. This program is subject to funds being budgeted and available within the institution.

Deleted: Employees may enroll in courses at any Tennessee public institution.

Support for Educational Assistance

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II. Faculty or Administrative/Professional Staff Tuition or Maintenance Fee Reimbursement Program (PERTAINS ONLY TO CREDIT COURSES TAKEN AT ANY PUBLIC OR PRIVATE INSTITUTION OF HIGHER LEARNING)

The fee reimbursement program is intended to serve as a means of career (job-related) development as well as individual professional development. The program should enhance the value of the employee to the institution/technology center/Central Office.

A. Eligibility

1. Any regular part-time or full-time faculty, administrator and professional staff who has been employed by a TBR institution/technology center/Central Office for at least six months, may, upon the approval of the president/director/Chancellor be eligible to participate. Employees with temporary service immediately preceding regular employment shall receive credit for such service if they qualify for leave accrual and longevity adjustments.

Requests for tuition or maintenance fee reimbursement shall be submitted at least two weeks prior to enrollment. (See Appendix B.) Regular part-time employees may receive a pro rata portion of assistance based on percentage of contract for employment.

2. Reimbursements normally will be limited to personnel working toward the doctorate, or other terminal degree. However, requests for aid to pursue degrees below the doctoral level in technical/professional disciplines, and for the retraining of administrative/professional staff will be considered. All reimbursements should be recommended on the basis of the following priorities:
 - a. Requests from minority/female personnel,
 - b. Requests from tenured faculty.
 - c. Requests from tenured/non-tenured personnel of departments in which the institution/technology center/Central Office desires further development.

3. Employees who retire with at least 10 years of service maintain eligibility under this program.
4. The employment status of an employee on the published first day of classes for each term determines eligibility for participation in this program. Any change in employment status after the first day of classes shall not affect eligibility for that term or the amount of assistance received.

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

1. This program is designed to provide maintenance or tuition-related fees for an employee who takes credit courses on a part-time basis while continuing work responsibilities at the home institution/technology center/Central Office.
2. Reimbursement may not exceed actual maintenance or tuition-related fees for a maximum of six credit hours per term, with a maximum of 4 terms per year. An employee may enroll in more than one course during the summer as long as the summer terms in which the courses are to be taken do not overlap. Tuition-related fees may include maintenance fees, tuition, debt service fees, service charges and incidental fees payable at the time of registration.
3. Employees enrolled in specialized graduate degree programs or similar concentrated programs at public or private institutions of higher learning for which fees are in excess of the prevailing graduate fee rates shall be reimbursed equivalent to the maximum fee waiver they would receive if they enrolled in any non-concentrated graduate courses for that semester (i.e., six hours times the published graduate hourly fee at the institution attended).

Deleted: semester. It is the intent of this guideline that employees will normally be eligible for one course per term

C. Payback Provisions

1. The recipient, unless retired, shall be required, after completion of the course or courses, to be employed by the institution/technology center/Central Office for not less than one (1) month of full-time employment for each month of the term of participation in the Faculty/Administrative/Professional Staff Tuition Reimbursement Program.
2. Participants must complete with passing grades all courses in which they enroll under this program in order to take subsequent

courses in this program. A grade of Incomplete or withdrawal from a course after the drop/add deadline is not considered as achieving a passing grade. The employee must pay for and successfully complete the same number of semester hours before again being eligible for this program. Exceptions will be made only in cases (1) where a course is failed for valid health reasons or (2) where another substantial reason has been approved by the president/director or his/her designee.

D. When the Participant May Attend

Except for retirees, courses must be scheduled in counsel with supervisors to insure optimum job performance. Courses should be scheduled at times other than during normal work hours unless the use of annual leave or flextime, based on the needs of the institution, have been approved

E. Accounting/Budget Provisions

1. Requests/recommendations for the Faculty or Administrative/Professional Staff Tuition or Maintenance Fee Reimbursement Program shall be submitted to the president/director prior to each academic term, using the form which appears in Appendix B. A separate contract is not necessary.

The institution/technology center/Central Office may provide reimbursement at the time fees are due; however, it is the obligation of the recipient to repay them if course work is not satisfactorily completed. If the employee is required to pay fees when due, fees may be paid in accordance with the provisions of Deferred Payment Plan Guideline B-070, provided a Deferred Payment Plan has been implemented at the institution the employee is attending.

2. Complete materials supporting each tuition or maintenance fee reimbursement request shall be maintained. Also, each recipient shall be required to provide the president/director with official grade reports for each course taken.

F. Where the Participant May Attend

Participants may attend accredited public and private institutions of higher education. Requests for participants attending public institutions will be reimbursed at the current semester hour rate for that institution. For individuals who wish to attend other than a Tennessee public institution under this program, reimbursement will not exceed the current semester

hour rate for a Tennessee public institution. This program is subject to funds being budgeted and available within the institution.

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: October 29, 2007

AGENDA ITEM: **Update on Changes to State of Tennessee Benefits
Administration – Edison Project**

ACTION: Information Item

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

Edison is the State of Tennessee's replacement of Tennessee Information System (TIS). The Go-Live date has been extended and a new date has not been set. Training has also been suspended pending a new Go-Live date. An update will be provided on the current discussion between TBR and Benefits Administration regarding access and business process on Edison. This will include a discussion on the new Basic Life Insurance requirements.

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: October 29, 2007

AGENDA ITEM: **Update on 403(b) Regulations from IRS**

ACTION: Information Item

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

In July 2007 the IRS finalized new regulations regarding 403 (b) Plans to be effective January 2009.

The general parts of the new regulations are as follows:

1. Assumption of greater employer fiduciary responsibility – It is no longer a contract between the employee and the vendor. Employers, as the Plan Sponsor, must take fiduciary responsibility. This also includes entering into administrative agreements with providers to ensure all IRS rules are met and data is shared.
2. Creation of a Plan Document – The Plan must be maintained pursuant to a written document that conforms to all 403(b) regulations in form and operation and contains all terms and conditions for eligibility, as well as listing all limitations and benefits under the plan.
3. Universal availability - The Plan must be available to all eligible employees and Employers must regularly notify all eligible employees of their eligibility to participate in the Plan.

There are many other applicable parts of the new 403(b) regulations but these three are the main pieces of the regulations that are going to require changes to the 403(b) Plans currently being offered.

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: October 29, 2007

AGENDA ITEM: **Update on Roth 401(k) for TBR System**

ACTION: Information Item

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

The State of Tennessee 401(k) additional retirement plan has been amended to offer the Roth deferral election. As required by law, the traditional pretax deferral option will continue to be offered to plan participants. The State of Tennessee central F&A payroll and Tennessee Board of Regents System expect to offer the Roth designated after tax deferral option in calendar year 2008 (anticipated for April 2008).

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: October 29, 2007

AGENDA ITEM: **Flexible Benefits Administration – Release of RFP in Spring 2008**

ACTION: Information Item

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

The Flexible Spending account contract with Fringe Benefits Management Company (FBMC) expires at the end of 2008 plan year. We will be issuing a Request for Proposal (RFP) at the beginning of 2008. Considerations will be given for a debit card option and an increase to the maximum allowed for the flexible spending account for medical reimbursements.

PRESIDENTS/DIRECTORS QUARTERLY MEETINGS

DATE: October 29, 2007

AGENDA ITEM: **Tennessee Consolidated Retirement System (TCRS)
Beneficiary**

ACTION: Information Item

PRESENTER: Vice Chancellor Bob Adams

BACKGROUND INFORMATION:

Just as an informational item, TCRS recently identified those members that were not set up correctly to receive the maximum benefit if they were to die prior to retiring due to their beneficiary selection. Each institution was sent a listing of their employees that may need to change their beneficiary selection to maximize benefits in the event of their death.