



**Business Committee Meeting
May 23, 2017
Derryberry 210**

MINUTES

AGENDA ITEM 1—CALL TO ORDER

The Tennessee Tech Board Audit and Business Committee met for its inaugural meeting on May 23, 2017, in Derryberry Hall 210. Chair Teresa Vanhooser called the meeting to order at 10:30 a.m.

AGENDA ITEM 2—ROLL CALL

Chair Vanhooser asked Kae Carpenter, Secretary, to call the roll. The following members were present:

- Mr. Millard Oakley
- Mr. Purna Saggurti, participated by telephone and confirmed that he could simultaneously hear and speak to the committee members, that there was no one else in attendance with him, and that he had received the committee material in advance.

A quorum was physically in attendance.

AGENDA ITEM 3—REMARKS BY CHAIRPERSON

Chair Vanhooser stated that the purpose of this special called meeting was to begin discussion on developing a maintenance fee and tuition recommendation for fiscal year 2017-18. No action was requested of the Committee at this time because the Committee would take action on the items at its June meeting.

AGENDA ITEM 4—REMARKS BY PRESIDENT OLDHAM AND CHAIRMAN JONES

President Phil Oldham thanked the committee for their time and attendance stating that this is one of the most important aspects of being on the board -- to help Tennessee Tech set pricing decisions and to look at the University's total finance picture. Dr. Oldham stated that during the June board meeting, he will make a presentation that will provide a more thoughtful conversation with the board about strategic planning and strategic directions.

Chairperson Tom Jones thanked Chair Vanhooser for being the chair of this committee which is a big responsibility. Chairperson Jones also thanked Dr. Claire Stinson for providing the information.

AGENDA ITEM 5—DISCUSSION ITEMS—TUITION AND MANDATORY FEES

Chair Vanhooser called on Dr. Stinson for the discussion of Tennessee Tech's 2017-18 undergraduate, graduate and out-of-state tuition and mandatory fees. Dr. Stinson also reviewed THEC's tuition and mandatory fee binding ranges for undergraduate tuition and mandatory fees.

Dr. Stinson referred the group to the THEC document dated May 11, 2017, which outlines the criteria for the consideration of maintenance fees and mandatory fees; documenting that certain fees such as out-of-state and graduate tuition rates are not subject to the THEC tuition and fee range. Tennessee Tech's 2017-18 binding maintenance fee range is a minimum of \$0 or less with a maximum of \$295. Tech's maintenance and mandatory fee range is a minimum of \$0 or less with a maximum of \$342. THEC has set a maximum combined fee range of 4%.

Dr. Stinson's presentation on Tuition and Mandatory Fee FY 2017-18 provided current, historical and comparison data for Tennessee Tech. No action was requested of the Committee at this time. The Committee will take action on these items at its June meeting. A complete copy of this presentation has been provided in the committee book.

Chair Vanhooser asked if there were questions following the presentation and there were none.

AGENDA ITEM 6 – SUCH OTHER BUSINESS

Chair Vanhooser asked if there was any other business and there was none.

AGENDA ITEM 7—ADJOURNMENT

There being no further business, the meeting adjourned at 11:06 a.m.

AUDIT AND BUSINESS
COMMITTEE

Teresa Vanhooser, Chair



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: President Emeritus Contracts

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

Review and approve the Emeriti President contracts of Dr. Robert Bell and Dr. Angelo Volpe for 2017-18 pursuant to the laws of the State of Tennessee, the requirements and policies of the Tennessee Tech Board of Trustees and the requirements and policies of Tennessee Tech University.

Tennessee Tech University
NOTICE OF PART-TIME EMPLOYMENT AND AGREEMENT
FOR PRESIDENT EMERITUS

TO: Dr. Robert R. Bell
935 East Sixth Street
Cookeville, TN 38501

This is to confirm your part-time appointment to a position approved by the Tennessee Tech Board of Trustees as President Emeritus of Tennessee Technological University for a period beginning July 1, 2017, at a monthly salary of \$4114.84 subject to the terms and conditions hereinafter set forth and our acceptance thereof:

1. This appointment is made subject to the laws of the State of Tennessee, the requirements and policies of the Tennessee Tech Board of Trustees and the requirements and policies of Tennessee Tech University.
2. The term of this agreement is July 1, 2017, to June 30, 2018. It may be renewed on an annual basis following review of the emeritus work performed and approval by the Tennessee Tech Board of Trustees.
3. The above stated salary is contingent upon your successful completion of service for the full term of this agreement. The salary will accrue and will be payable monthly. In the event of failure to complete the specific terms of the appointment, salary will be prorated in accordance with the policies of Tennessee Tech University.
4. This appointment and the above-stated salary are in consideration of your faithful performance to the best of your ability of the duties and responsibilities assigned to you as a part-time employee of Tennessee Tech University. These duties include:
 - ❖ Fund raising for Tennessee Technological University (TTU);
 - ❖ Institution-community relations and activities for TTU; including teaching a class, regional development related activities, and working with the Cookeville Regional Medical Center Board;
 - ❖ Consultation for Tennessee Technological University, as requested;
 - ❖ Provide support in inter-institutional, governmental, legislative, and community relations;
 - ❖ Assist as needed with the completion of selected capital projects;
 - ❖ As requested, represent the President and the University at selected functions and professional meetings;
 - ❖ Recruit students and provide advice to prospective students and their parents;
 - ❖ Promote higher education, the Tennessee Tech University Board of Trustees, and Tennessee Tech University on a continuous basis.

5. As a part-time employee, you are not eligible for employment benefits (retirement credit, state insurance plan, annual or sick leave, holiday pay, or longevity credit). Notwithstanding, social security will be deducted from your paycheck unless you are a member of a retirement system or are a rehired annuitant as specified in 26 CFR Part 31.
6. This appointment does not include any assurance, obligation, or guarantee of subsequent employment.
7. This agreement may be terminated without prior notice.
8. By acceptance of this appointment, you agree to abide by the terms of the Drug-Free Workplace Act of 1988 as defined in published institution statements and policy. You also agree to notify TTU-Human Resources of any criminal drug conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
9. You are required to notify the President should you become employed at another state agency/institution.
10. The following special condition shall govern this appointment:

The retired employee accepts employment for up to 120 days during a 12-month period. The number of hours actually worked will be provided to the institution upon request and will be no less than 247 hours.

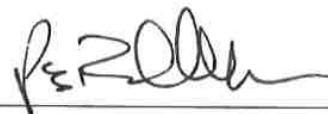
I accept the appointment described above under the terms and conditions set forth.



APPOINTEE

5/22/17
DATE

An Equal Opportunity/Affirmative Action Employer



PRESIDENT


5/22/2017
DATE

**President Emeritus Report
2016-2017**

During this fiscal year, I performed the following functions (attached) for Tennessee Technological University.

(typed report attached to this work sheet)

I spent at least 353 hours performing the work but less than 120 days.



President Emeritus, Dr. Robert R. Bell

5/19/17

Date

I have reviewed the work of Dr. Robert R. Bell for 2016-2017, and I am satisfied that it was well performed.



President, Dr. Philip B. Oldham

5/22/2017

Date

**Report of President Emeritus Dr. Robert R. Bell
Tennessee Technological University**

Functions Performed for 2016-2017

Summary of Activities

1. Teaching/Scholarship/Advocacy:
 - a. Seminar Moderator and instructor for the Spring 2017 TTU/Highlands Emerging Leaders Seminar (non-credit) for the School of Interdisciplinary Studies;
 - b. Spoke on topics of economic development and college/career readiness to TTU SAM Club, and classes at Cookeville High School, Algood Middle School, Prescott South Middle School, and Livingston Middle School
 - c. Served as table mentor for College of Business Etiquette Dinner
 - d. Served as advisor for Mayberry Chair of Excellence, member of the College of Business Board of Trustees, member of the School of Nursing Board of Trustees, and on the planning committee for TTU Merit Badge University
 - e. Editorial Review Board Member, *Advanced Management Journal*
 - f. Presented paper at the Society for Advancement of Management International Conference, and served as session chair/discussant for two other papers.
 - g. Two days of advocacy at Tennessee Legislature, Highlands Economic Partnership, Tennessee Hospital Association, TTU/Tennessee Focus Act

2. Regional Development/External Relations:
 - a. Chairman, Highlands Initiative Workforce Development Task Force
 - b. Member, Executive Committee of the Cookeville-Putnam County Chamber of Commerce
 - c. Chairman, Industrial Development Board, City of Cookeville: confidential work with several new companies locating in Cookeville and expansions of existing industry
 - d. Served as facilitator and session leader for strategic planning retreat for Habitat for Humanity

3. Cookeville Regional Medical Center (CRMC):
 - a. Chair, CRMC Board of Trustees and Executive Committee; member of Planning, Quality, Finance, and Ethics committees. Chairman, Board of Trustees, Cumberland River Hospital (Celina)

4. Service to the University in other roles as requested:
 - a. Conducted campus tours/orientation newly-relocated business leaders
 - b. Host for Executive Suite at TSSAA Blue Cross Championship Bowl, and other volunteer activities at TSSAA event
 - c. Meetings/lunches, as requested, with campus leaders, Foundation members, and Trustees

Dr. Robert R. Bell—Work Report for 2016-2017		
July 2016	Total Hours	36 hrs.
Pathways to Prosperity: Workforce Development meetings		3 hrs.
iCube/Diabetes App Development, Kevin Liska, Drs. Geist and Reynolds (Vanderbilt)		2 hrs.
Regional development/external relations: Cookeville Chamber and Jackson County		5 hrs.
CRMC and Cumberland River Board of Trustees meetings; other related CRMC committees on Planning, Finance, Corporate Compliance; TN Hospital Association Annual meeting		17 hrs.
Economic Development/Industrial Board: Academy Sports, FICOSA, SAIC, Project Orlando		7 hrs.
TTU/Highlands Emerging Leadership course preparation		2 hrs.
August 2016	Total Hours	29 hrs.
Lunches with Foundation members: Joe Albrecht and Millard Oakley		2 hrs.
Jackson County Industrial Development Board – Jay Cassetty, Jim Birdwell		2 hrs.
Industrial Development Board meetings with Attorney Ledbetter		5 hrs.
STEM Center – Welcome/Host Middle Tennessee Council, BSA		2 hrs.
TTU Highlands Leadership course (nominations and dates – postpone until January)		2 hrs.
Meet with Senator Bailey and Representative Williams at Algood Business Coffee re: IDB		2 hrs.
External relations: CRMC Board of Trustees, committee meetings		11 hrs.
Meet with Chancellor David Gregory; regional development: Chamber and Highlands meetings		3 hrs.
September 2016	Total Hours	27 hrs.
TTU: iCube – Overton County Chamber		3 hrs.
Workforce Development and Chamber Board (Vice-Chair, WFD)		3 hrs.
TTU: Speaker SAM Club; guest speaker at Cookeville HS re: career planning		8 hrs.
CRMC Orientation/Board Chair meetings: Legal Counsel, CEO, Board members		8 hrs.
Chamber Board/Highlands		2 hrs.
Industrial Development Board: Project Leslie, Shoppes at Eagles Point		3 hrs.
October 2016	Total Hours	20 hrs.
Meetings with Dr. Reimann (Mayberry), Dr. Elkins (SAM)		5 hrs.
Tennessee Hospital Association Annual meetings		8 hrs.
Highlands/TTU Emerging Leader Seminar planning		2 hrs.
Industrial development: FICOSA Tour, Bylaws, Charter revisions		5 hrs.

November 2016	Total Hours	22 hrs.
Highlands Emerging Leaders Seminar, planning		2 hrs.
Highlands/Community Planning Benchmark visit: Bowling Green, KY		10 hrs.
TTU: Collaboration with Dr. Elkins on SAM paper		2 hrs.
CRMC Board Retreat, including planning for retreat		6 hrs.
Speaker: TTU and Career Readiness: Algood Middle School		2 hrs.
December 2016	Total Hours	32 hrs.
Regional development meetings; LEAN Advanced Training-CRMC		9 hrs.
Site Visit: University of Tennessee Medical Center/LEAN/Baldrige Strategies		9 hrs.
CRMC: Corporate Compliance, Planning, Finance, Professional Service, Board of Trustees		5 hrs.
TTU: Hosting Executive Suite and VIP tent at TSSAA Blue Cross Championship Bowl		6 hrs.
TTU iCube: Pediatric Diabetes project		3 hrs.
January 2017	Total Hours	26 hrs.
TTU: Meetings with Trustees Dr. Barbara Fleming, Millard Oakley		2 hrs.
Co-Author work on SAM manuscript (Elkins, Crook, Dean)		3 hrs.
Regional development: Chamber/Highlands/IDB, attend Tech-REDI Conference		10 hrs.
Highlands Workforce Development meetings		2 hrs.
LEAN process evaluations at CRMC		3 hrs.
CRMC: Board of Trustees and committee meetings of Planning/Finance/Professional Services		6 hrs.
February 2017	Total Hours	28 hrs.
Dr. Kevin Braswell – fundraising concepts discussion – lunch		2 hrs.
Chancellor Elkins (telephonic) edits on SAM paper		2 hrs.
Editorial work, <i>Advanced Management Journal</i>		4 hrs.
TNCPE Banquet; College of Business Board meeting		5 hrs.
Regional development: Chamber/Highlands/IDB		5 hrs.
CRMC: Retreat and Board of Trustees and committee meetings of Planning/Finance		10 hrs.
March 2017	Total Hours	22 hrs.
THA Legislative Day: represent TTU and CRMC, meetings with Senator Bailey, Representative Keisling, Representative Williams and Chancellor Gregory; attend TBR Reception/Regent Bobby Thomas		8 hrs.
School of Nursing Development Council meeting		2 hrs.
Regional development: IDB/Chamber/Highlands; meet with Johnny Stites on economic development proposal; miscellaneous committee meetings		4 hrs.

CRMC: Board of Trustees and committee meetings of Planning/Finance/Ethics Committee	8 hrs.
April 2017	Total Hours 39 hrs.
Presented paper on Economic Development at SAM International Conference (Orlando, Florida); discussant on two other papers	16 hrs.
TTU: iCube w/Kevin Liska - Pediatric Diabetes, and Whitewater Streams	2 hrs.
Regional development: TTU/Highlands Leaders Seminar	8 hrs.
Regional development: Chamber Workforce Committee/Board meetings	2 hrs.
CRMC Board functions	7 hrs.
Guest speaker at Livingston Middle School re: Career Readiness/Majors at TTU	2 hrs.
College of Business Scholarship and Awards Banquet	2 hrs.
May 2017 (Estimated)	Total Hours 35 hrs.
Strategic Planning facilitator for Habitat for Humanity	11 hrs.
CRMC Board of Trustees functions	7 hrs.
TNCPE Board of Examiners Training	8 hrs.
Industrial Development Board	3 hrs.
Regional development: Chamber/Highlands Strategic Planning Group	6 hrs.
June 2017 (Estimated)	Total Hours 37 hrs.
CRMC: Board of Trustees and committee meetings of Planning/Finance/Ethics	7 hrs.
Regional development: Chamber/Highlands	10 hrs.
TNCPE Examiner Training	20 hrs.

Work Report Summary for President Emeritus Dr. Robert R. Bell Tennessee Technological University	
Total for 2016-2017 fiscal year July 1, 2016, through April 30, 2017	281 hours
Projected emeriti activities for the remainder of academic and fiscal year: May – June, 2017	72 hours
Grand total for 2016-2017	353 hours

Tennessee Tech University
NOTICE OF PART-TIME EMPLOYMENT AND AGREEMENT
FOR PRESIDENT EMERITUS

TO: Dr. Angelo A. Volpe
734 Loweland Road
Cookeville, TN 38501


This is to confirm your part-time appointment to a position approved by the Tennessee Tech Board of Trustees as President Emeritus of Tennessee Technological University for a period beginning July 1, 2017, at a monthly salary of \$2,378.33 subject to the terms and conditions hereinafter set forth and our acceptance thereof:

1. This appointment is made subject to the laws of the State of Tennessee, the requirements and policies of the Tennessee Tech Board of Trustees and the requirements and policies of Tennessee Tech University.
2. The term of this agreement is July 1, 2017, to June 30, 2018. It may be renewed on an annual basis following review of the emeritus work performed and approval by the Tennessee Tech Board of Trustees.
3. The above stated salary is contingent upon your successful completion of service for the full term of this agreement. The salary will accrue and will be payable monthly. In the event of failure to complete the specific terms of the appointment, salary will be prorated in accordance with the policies of Tennessee Tech University.
4. This appointment and the above-stated salary are in consideration of your faithful performance to the best of your ability of the duties and responsibilities assigned to you as a part-time employee of this institution. These duties include:
 - ❖ Fund raising for Tennessee Technological University (TTU);
 - ❖ Institution-community relations and activities for TTU;
 - ❖ Consultation for Tennessee Technological University, as requested;
 - ❖ Consultation for the Tennessee Higher Education Commission (THEC);
5. As a part-time employee, you are not eligible for employment benefits (retirement credit, state insurance plan, annual or sick leave, holiday pay, or longevity credit). Notwithstanding, social security will be deducted from your paycheck unless you are a member of a retirement system or are a rehired annuitant as specified in 26 CFR Part 31.
6. This appointment does not include any assurance, obligation, or guarantee of subsequent employment.
7. This agreement may be terminated without prior notice.

8. By acceptance of this appointment, you agree to abide by the terms of the Drug-Free Workplace Act of 1988 as defined in published institution statements and policy. You also agree to notify the Office of Personnel of any criminal drug conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
9. You are required to notify the President should you become employed at another state agency/institution.
10. The following special condition shall govern this appointment:

The retired employee accepts employment for up to 120 days during a 12-month period. The number of hours actually worked will be provided to the institution upon request and will be no less than 142.7 hours.

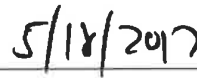
I accept the appointment described above under the terms and conditions set forth.


APPOINTEE


DATE

An Equal Opportunity/Affirmative Action Employer


PRESIDENT



DATE

**President Emeritus Report
2016-2017**

During this fiscal year, I performed the following functions (attached) for Tennessee Technological University.

(typed report attached to this work sheet)

I spent at least 177 hours performing the work but less than 120 days.




President Emeritus, Dr. Angelo A. Volpe

5/17/17

Date

I have reviewed the work of Dr. Angelo A. Volpe for 2016-2017, and I am satisfied that it was well performed.



President, Dr. Philip B. Oldham

5/18/2017

Date

**Report of President Emeritus Dr. Angelo A. Volpe
Tennessee Technological University**

Functions Performed for 2016-2017

Summary of Activities

Dr. Angelo Volpe —Work Report for 2016-2017		
July 2016	Total Hours	13.5 hrs.
Attend TTU Football Alumni Golf Classic BBQ Dinner		2.5 hrs.
Attend monthly meeting of the Bryan Symphony Orchestra (BSO) Board of Directors		1.5 hrs.
Attend workshop and Summer 2016 meeting of the Tennessee Higher Education Commission		9.5 hrs.
August 2016	Total Hours	12 hrs.
Attend monthly meeting of the BSO Board of Directors		1.5 hrs.
Attend BSO Education Concert, Reception, and Fundraiser		2.5 hrs.
Participate in a Strategic Planning Retreat for WCTE—the Upper Cumberland Public Broadcasting Station		5 hrs.
Attend TTU College of Engineering Scholarship Reception		1.5 hrs.
Pre-game dinner with Coach Satterfield and family		1.5 hrs.
September 2016	Total Hours	30 hrs.
Prepare giveaways for the BSO Concert in Dogwood Park		1 hr.
Serve as usher for the BSO Concert in Dogwood Park and attend donor appreciation BBQ		4 hrs.
Attend meeting/lunch of the TTU Retirees Association		1.5 hrs.
Pre-game dinner with Coach Satterfield and family		1.5 hrs.
Serve as volunteer ticket seller at the Cookeville Fun Fest		3.5 hrs.
Attend monthly meeting of the BSO Board of Directors		2 hrs.
Attend TTU College of Business 25th Annual Fall Celebration event		3.5 hrs.
Attend Volpe Library fundraising meetings with Dr. Braswell, Dr. Brinker, Dr. Dickinson, and Ms. Walden		3.5 hrs.
Attend reception for employee retiring after 40 years of service to TTU		0.5 hr.
Pre-game dinner with Coach Satterfield and family		2 hrs.
Library fundraising meeting with Dr. Braswell and Ms. Jones		0.5 hr.
Attend farewell retirement recital of music Professor Bill Woodworth		1.5 hrs.
Attend 2016 TTU Scholarship Celebration		1.5 hrs.

Attend memorial service for Don Ramsey, Jr. son of long-time math Professor Don Ramsey	1.5 hrs.
Pre-game dinner with Coach Satterfield, his family, and one of his players	2 hrs.
October 2016	Total Hours 10 hrs.
Attend TTU Sports Hall of Fame Induction event	2.5 hr.
Attend Homecoming Breakfast of the TTU Speech and Debate Team	1.5 hrs.
Provide commentary for the TTU Homecoming Parade on WCTE-TV along with Dr. Oldham and WCTE's Becky Magura	1 hr.
Attend 50th anniversary celebration and reunion honoring R. Winston Morris	4 hrs.
Prepare letter of recommendation for a faculty member up for promotion	1 hr.
November 2016	Total Hours 16 hrs.
Pre-game dinner with Coach Satterfield and family	2 hrs.
Attend monthly meeting of the BSO Board of Directors	1.5 hrs.
Meet with sustainable development coordinator for Wesley College in Tanzania	1 hr.
Attend fundraising kickoff for the Harvey Fund (service dog for Veteran)	1 hr.
Attend Friends of the Library Gala to benefit the Volpe Library	2.5 hrs.
Serve as usher for the BSO Concert	0.5 hr.
Attend Fall meeting of Tennessee Higher Education Commission	7.5 hrs.
December 2016	Total Hours 5.5 hrs.
Attend Holiday Open House at Walton House	1 hr.
Attend meeting/lunch of the TTU Retirees Association	1.5 hrs.
Lunch meeting with Dr. Rich Rhoda, director emeritus of THEC and current dean of the College of Education at ETSU	1.5 hrs.
Lunch meeting with fairly new faculty member to discuss possible future mentoring	1.5 hrs.
January 2017	Total Hours 18 hrs.
Attend monthly meeting of the BSO Board of Directors	1.5 hrs.
Attend reception/dinner for retiring TTU faculty member	2.5 hrs.
Attend keynote speech given by a TTU faculty member in observance of Martin Luther King Jr. Day	2 hrs.
Attend visitation/funeral service for C.O. Wynne, long-time TTU administrator	2 hrs.
Attend Winter meeting of the Tennessee Higher Education Commission	8 hrs.
Serve as Judge for the WCTE-TV Academic Bowl	2 hrs.
February 2017	Total Hours 16.5 hrs.
Attend 2017 Outstanding Alumni Awards Reception and Dinner	4.5 hrs.

Attend monthly meeting of the BSO Board of Directors	1.5 hrs.
Attend Annual Meeting and Reception of the TTU College of Business Advisory Board	3.5 hrs.
Lunch meeting with TTU Board of Trustee Dr. Barbara Fleming	1.5 hrs.
Serve as usher for the BSO Concert	0.5 hr.
Attend TTU College of Engineering 2017 Engineers Week Awards Banquet	2.5 hrs.
Attend and serve at Tech Women's Club Annual Chili Supper	2.5 hrs.
March 2017	Total Hours 6.5 hrs.
Attend monthly meeting of the BSO Board of Directors	1.5 hrs.
Attend meeting/lunch of the TTU Retirees Association	1.5 hrs.
Attend College of Business Advisory Board 2017 Etiquette Dinner	3.5 hrs.
April 2017	Total Hours 6 hrs.
Attend monthly meeting of the BSO Board of Directors	1.5 hrs.
Attend Alumni Center naming ceremony and luncheon	2 hrs.
Participate in interview by WCTE re: Windows on the World and Diversity	0.5 hr.
Attend fundraiser and reception for BSO	2 hrs.
July 2016 – June 2017	Total Hours 18 hrs.
Phone calls and meetings with TTU President's Office, THEC Office, Dr. Russ Deaton, Mr. David Wright and other members of the THEC Board of Elders	18 hrs.
April 12, 2017 – June 30, 2017 (Estimated)	Total Hours 25 hrs.
Anticipated work	25 hrs.

Work Report Summary for President Emeritus Dr. Angelo A. Volpe Tennessee Technological University	
Total for 2016-2017 fiscal year July 1, 2016, through April 12, 2017	152 hours
Projected emeriti activities for the remainder of academic and fiscal year: April – June, 2017	25 hours
Grand total for 2016-2017	177 hours



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: AD Contract Extension

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

For review and approval of a five-year contract extension for the Athletics Director with the opportunity for an annual performance bonus.

TENNESSEE TECHNOLOGICAL UNIVERSITY

AGREEMENT OF EMPLOYMENT

Contract Extension

This Agreement of Employment (Agreement) is entered into on the 30th day of May 2017, by and between **Tennessee Technological University** (hereinafter referred to as University), and **MARK E. WILSON** (hereinafter referred to as Director). The terms of this agreement are valid for the period **July 1, 2017, through June 30, 2022**.

For services satisfactorily rendered pursuant to the terms of this Agreement, the University shall pay MARK E. WILSON a base salary of **\$165,000 per year**, earned over 12 months and payable in 12 equal monthly installments received by direct deposit on the last working day of each month. Base salaries will be adjusted to reflect any mandatory across-the-board increases granted all employees of the University or any merit or equity increases granted by the University in the same manner as other employees of the University.

The Director shall be entitled to all benefits that are provided to other full-time administrative employees of the University. These benefits are set out in policy and include retirement, insurance, annual leave, sick leave, holidays, longevity pay, and educational opportunities.

Provided the terms of this contract are met in their entirety annually, the Director shall receive a **performance bonus of \$25,000**, to be paid out over the five-year contract period, in equal increments of \$5,000 of the subsequent fiscal year (July 2018, July 2019, July 2020, July 2021, July 2022). Any subsequent revisions to the work agreement will require the terms of the performance bonus payments to be readdressed.

Any program or arrangements made to provide courtesy cars for use by the Director must conform to the University's institutional policies. Travel expenses will be reimbursed in accordance with and up to institutional policy and state limitations.

In consideration of the covenants contained herein, the parties agree as follows:

1. In exchange for and in consideration of the salary and benefits referred to above, Director will diligently perform, on a full-time basis, the duties and responsibilities of the position of Director of Intercollegiate Athletics under the direction of the President of the University. Such duties and responsibilities include but are not limited to:

- Supervise the planning and operation of the athletics program.
- Oversee and participate in athletics' department fund-raising program.
- Ensure that athletics department adheres to NCAA, Conference, and University policies and procedures.
- Ensure that safety and welfare of student-athletes are highly valued within the athletics program and promote the integration of student-athletes into the student body.
- Maintain an active public relations program with internal and external constituents.
- Ensure commitment to academic excellence among student-athletes.

- Ensure that fiscal responsibility is maintained within the athletics program.
- Promote and market athletics program.
- Subscribe to the principles and demonstrate personal commitment to gender equity, diversity, sportsmanship, and ethical conduct.
- Supervise the scheduling of athletics contests.
- Recommend personnel appointments to the President.
- Perform other duties as assigned by the President.

2. It is understood that the President may reassign any or all of the duties enumerated above to another University employee and that the duties of the Director shall also include other directives and responsibilities as may, from time-to-time, be given by the President.

3. It is further understood that the term of this agreement may be terminated immediately upon written notice from the President if the Director fails to receive a B or better on the annual performance evaluation.

4. The Director agrees to abide by the terms and conditions of this Agreement, all amendments thereto, the laws of the United States of America and of the State of Tennessee, the policies and requirements of the University, the constitution, bylaws and rules and regulations of the NCAA, and the constitution, bylaws and rules and regulations of the Ohio Valley Conference (OVC) or any other governing group that the University may align itself with. In addition, Director agrees to perform his services diligently and faithfully, and to conform his conduct to the highest standards of honesty, morality and good citizenship. It is specifically agreed that if Director is in violation of this provision through any act or omission committed by Director, University athletic coaching staff, student athletes or boosters, or was at any time involved in the type of violations specified in this provision (including while employed by a prior employer) University may take one or more of the following actions that it deems appropriate ("for cause"): (a) termination of employment; (b) suspension, with or without pay, for such period of time as the University shall determine; (c) modification of duties; (d) reassignment to other employment duties within the University; and/or (e) the disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedure. A violation of this provision may include personal actions or omissions by Director; knowledge by Director of conduct that violates any laws, policies, rules or regulations contained in this paragraph and a failure by Director to immediately cure or correct those violations; or, conduct which

Director, through the exercise of reasonable diligence, should have been aware that violates any of the laws, policies, rules or -regulations contained in this paragraph. If this Agreement is terminated under this provision, Director shall forfeit all future employment rights and benefits provided by the Agreement, including salary compensation and other remuneration hereunder. Director shall be entitled to receive any compensation through the last day of the calendar month in which his employment is terminated. The Director must immediately notify the President of any such potential violations.

5. University may terminate this Agreement at the sole and absolute discretion of the President of University ("without cause"). In the event Director is terminated without cause, Director shall be entitled to receive an amount equal to the base salary specified in the Agreement for a period of one (1) year or until the employment term expires, whichever is earlier ("payout period").

6. The Director shall not, directly or by implication, use the University name or logos in the endorsement of commercial products or services, in the endorsement of political parties or candidates, and/or in no way use his employee standing as athletic director for personal benefit or gain without prior written approval from the President. This prohibition includes, but is not limited to, soliciting and/or accepting private employment, consulting, gifts, gratuities, speaking engagements, endorsement of commercial products, serving on advisory boards (including those of athletic sporting goods companies, etc) or receiving a fee based upon any contracts and purchase of goods and services for the athletic program. Any violation of this provision may be considered a conflict of interest and grounds for termination for cause.

7. Approval from the President shall be required to receive any athletically related income and benefits from sources outside the University. Any request for approval from the President shall be in writing and shall include the amount and the type and source of income. Approval from the President must be requested in a timely manner and such approval must be received in advance. The Director shall provide to the President a written detailed accounting of all outside income approvals on or before **June 30** of each year.

8. The Director agrees to not personally, or through any agent, actively seek, negotiate for, or accept other full-time or part-time employment of any nature during the term of this agreement without first having obtained written consent from the President.

9. The Director agrees as a condition of employment to abide by the Drug Free Workplace Act of 1988 and University Policy 602 (Background Investigations), and the Director will notify the Human Resources Office of any criminal arrest or conviction within 72 hours of knowledge of the arrest or conviction.

10. This agreement shall be governed by and construed under the laws of the State of Tennessee. Any and all claims against the State of Tennessee, including the University or its employees, based upon the Agreement, shall be heard and determined by the Tennessee Claims Commission in the manner prescribed by law. Damages recoverable against the University shall be limited expressly to claims paid by the Claims Commission pursuant to T.C.A. 9-8-301 et seq. If any provision of the Agreement shall be determined to be void, invalid, unenforceable or illegal for any reason, it shall be ineffective only to the extent of such determination and the validity and enforceability of all the remaining provisions shall not be affected thereby.

11. This Agreement may be amended only in writing, signed and agreed to by the President and the Director, and subject to Tennessee Technological University Board of Trustees approval.

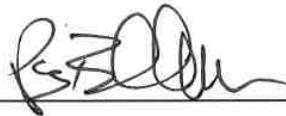
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated.

Athletics Director
Mark E. Wilson



Date May 30, 2017

Tennessee Technological University
President Dr. Philip B. Oldham



Date 5/30/2017

Tennessee Technological University
Board of Trustees
Chairman Thomas Jones

Date _____



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: Tenure and Promotions Recommendations

Review

Action

No action required

PRESENTERS: Dr. Bahman Ghorashi, Provost and Vice President for Academic Affairs

PURPOSE & KEY POINTS:

Recommendations and supporting documentation for granting tenure and promotion for all eligible faculty members.

TTU Board of Trustees



FACULTY TENURE CERTIFICATION STATEMENT

_____ faculty members are hereby recommended for tenure beginning in June 2017.

_____ faculty members is/are recommended for tenure by exception.

If these recommendations are approved, the percentage of tenured faculty members at Tennessee Tech University in Fall 2017 will be _____, which includes new tenure-track positions anticipated for 2017 - 2018.

DATE: _____

Tennessee Tech University
Board of Trustees



FACULTY TENURE RECOMMENDATIONS FOR 2017 – 2018

Recommended personnel are listed alphabetically by last name.

	Name	Department/Division	Academic Rank
1	Alley, Sean	Economics, Finance, & Marketing	Assistant Professor
2	Anderson, Jennifer	Sociology & Political Science	Assistant Professor
3	Baker, Julie	Curriculum & Instruction	Associate Professor
4	Beach, Jason	Curriculum & Instruction	Assistant Professor
5	Belkacemi, Rabie	Electrical & Computer Engineering	Assistant Professor
6	Coonce, Janet	Chemistry	Instructor
7	Davis, Philip	History	Instructor
8	Deiter, Kristen	English	Associate Professor
9	Hasan, Syed	Electrical & Computer Engineering	Assistant Professor
10	Hellman, Ann	Nursing	Assistant Professor
11	Howard, Martha	Curriculum & Instruction	Assistant Professor
12	Isbell, Janet	Curriculum & Instruction	Associate Professor
13	Jiang, Xiaohua	Chemistry	Assistant Professor
14	Kalyanapu, Alfred	Civil & Environmental Engineering	Assistant Professor
15	Kim, Wonkak	Music	Associate Professor
16	Lloyd, Malinda	Curriculum & Instruction	Assistant Professor
17	Luke, Charles	Counseling & Psychology	Associate Professor
18	Metz, Jacob	Communication	Instructor
19	Murdock, Justin	Biology	Assistant Professor
20	Seiler, Steven	Sociology & Political Science	Associate Professor
21	Sheehan, Martin	Foreign Languages	Associate Professor
22	Sisk, Cara	Human Ecology	Instructor
23	Williams, Brian	English	Assistant Professor

Tennessee Tech University
Board of Trustees



Tennessee Tech University
Board of Trustees



FACULTY PROMOTION CERTIFICATION STATEMENT

____ faculty members are hereby recommended for promotion beginning in June 2017.

____ faculty members is/are recommended for promotion by exception.

Number of faculty at each rank prior to recommendations:

- ____ Instructor
- ____ Assistant Professor
- ____ Associate Professor
- ____ Professor

The recommendations for promotion include the following:

- ____ from Instructor to Assistant Professor
- ____ from Assistant to Associate Professor
- ____ from Associate to Professor

If these recommendations are approved, the distribution of rank among the faculty members at Tennessee Tech University in Fall 2017, including new positions being anticipated, will be:

<u>RANK</u>	<u>NUMBER</u>	<u>PERCENTAGE</u>
Instructor		
Assistant Professor		
Associate Professor		
Professor		

The percentage of total faculty recommended for promotion in June 2017 is ____.

DATE: _____

Tennessee Tech University
Board of Trustees



FACULTY PROMOTION RECOMMENDATIONS FOR 2017 – 2018

Recommended personnel are listed alphabetically by last name.

	Name	Department/Division	Current Rank	Proposed Rank
1	Alley, Sean	Economics, Finance, & Marketing	Assistant Professor	Associate Professor
2	Anderson, Jennifer	Sociology & Political Science	Assistant Professor	Associate Professor
3	Beach, Jason	Curriculum & Instruction	Assistant Professor	Associate Professor
4	Belkacemi, Rabie	Electrical & Computer Engineering	Assistant Professor	Associate Professor
5	Burgin, Chris	Counseling & Psychology	Assistant Professor	Associate Professor
6	Dainty, Helen	Curriculum & Instruction	Associate Professor	Professor
7	DiFurio, Ferdinand	Economics, Finance, & Marketing	Associate Professor	Professor
8	Eberle, William	Computer Science	Associate Professor	Professor
9	Graves, Laura	Curriculum & Instruction	Associate Professor	Professor
10	Hanna, Kimberly	Nursing	Associate Professor	Professor
11	Hasan, Syed	Electrical & Computer Engineering	Assistant Professor	Associate Professor
12	Hellman, Ann	Nursing	Assistant Professor	Associate Professor
13	Holderman, Sharon	Library	Assistant Professor	Associate Professor

Tennessee Tech University
Board of Trustees



1 4	Howard, Martha	Curriculum & Instruction	Assistant Professor	Associate Professor
1 5	Hurley, Sheila	Nursing	Assistant Professor	Associate Professor
1 6	Jiang, Xiaohua	Chemistry	Assistant Professor	Associate Professor
1 7	Kalyanapu, Alfred	Civil & Environmental Engineering	Assistant Professor	Associate Professor
1 8	Kubiak, Damian	Mathematics	Assistant Professor	Associate Professor
1 9	Laningham, Susan	History	Associate Professor	Professor
2 0	Lloyd, Malinda	Curriculum & Instruction	Assistant Professor	Associate Professor
2 1	Loftis, Mark	Counseling & Psychology	Assistant Professor	Associate Professor
2 2	Murdock, Justin	Biology	Assistant Professor	Associate Professor
2 3	Russell, Bedelia	Nursing	Assistant Professor	Associate Professor
2 4	Siraj, Ambareen	Computer Science	Associate Professor	Professor
2 5	Stretz, Holly	Chemical Engineering	Associate Professor	Professor
2 6	Wendt, Jeremy	Curriculum & Instruction	Associate Professor	Professor
2 7	Williams, Brian	English	Assistant Professor	Associate Professor



College of Agriculture & Human Ecology

TENNESSEE TECH

MEMORANDUM

TO: Dr. Bahman Ghorashi, Provost
FROM: Dr. Lizabeth Mullens, Dean *Lizabeth Mullens*
DATE: December 19, 2016
RE: Employment of Dr. Dennis Duncan

Attached please find the recommendation of the search committee for the Director of the School of Agriculture. The position was first verbally offered to Dr. Barry Croom, who was not able to accept the position due to insufficient salary. As recommended by the search committee, the position was next verbally offered to Dr. Dennis Duncan, who accepted the position and agreed to start on January 1, 2017, if all approvals are completed.

The PAF is being submitted with the following recommendations:

- Academic year salary of \$83,000, with 25% of AY salary for summer
- January 1 start date
- \$6,000 in moving allowance (\$2,000 of which will be paid by CAHE Strategic Initiative Funds)
- Rank of full Professor (which he currently holds at UGA) and tenure (also which he holds at UGA) in the School of Agriculture, recommended by the Search Committee, and when approved by all appropriate authorities.

I approve the recommendation of the search committee and look forward to working with Dr. Dennis Duncan as Director of the School of Agriculture.

RECEIVED

OFFICE OF THE PROVOST



Office of the Dean • College of Arts and Sciences
Box 5065 • Cookeville, TN 38505-0001 • (931) 372-3118 • Fax (931) 372-6142

RECEIVED

AUG 15 2016

August 15, 2016

Memo to: Bahman Ghorashi, Provost and Vice President for Academic Affairs

Bahman Ghorashi
OFFICE OF THE PROVOST

From: Paul Semmes, Dean *Paul Semmes*

Subject: Recommendation for rank of Professor with tenure to Dr. J. M. (Mike) Gotcher

I am pleased to recommend that Dr. James M. (Mike) Gotcher be granted the faculty rank of Professor with tenure in the Department of Communication as part of his appointment as Dean of the College of Interdisciplinary Studies. The consideration of faculty rank and tenure properly originates in the department appropriate to the candidate's discipline and experience, and since the Department of Communication is part of the College of Arts and Sciences, not Interdisciplinary Studies, this recommendation proceeds through my office.

Dr. Gotcher's CV was shared with the Chairperson (Dr. Brenda Wilson) and the five tenured faculty of the Department of Communication (Professor Halina Ablamowicz; Assistant Professor Scott Christen; Associate Professor Yun Ding; Professor James Stewart; and Professor Russ Witcher) and today four of the five tenured faculty met to consider tenure and rank (Professor Halina Ablamowicz could not be present and voted by proxy). The results of the meeting are as follows:

- The five tenured peers voted unanimously to grant tenure to Dr. Gotcher.
- The three tenured Professors voted to include Associate Professor Ding and Assistant Professor Christen as peers for the purpose of the consideration of faculty rank.
- The five peers voted unanimously to recommend the rank of Professor to Dr. Gotcher.

Department Chairperson Brenda Wilson concurs with these recommendations, and so do I.

Dr. Gotcher holds the Ph.D. in Organizational Communication from Louisiana State University (1990), is currently a tenured Professor of Communication at Austin Peay State University, has been Chair of the APSU Department of Communication and Theatre, and currently serves as Interim Dean of the College of Graduate Studies there. His CV shows evidence of significant professional publications and presentations, and a strong record of accomplishment clearly justifying these recommendations.

Please let me know if you need any additional information.

Thank you.

C: Dr. Brenda Wilson, Chair of the Department of Communication



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: Policy 506 General and Group Travel Policies

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

This policy sets forth appropriate reimbursement rates and guidelines for all expenses incurred on official business travel for Tennessee Tech. Provisions of this policy also may apply to individuals other than employees who are authorized to travel at Tennessee Tech expense. Specific provisions of the policy also address the travel of Board members. Authorization for travel will not be granted and expenses will not be reimbursed unless the travel is made and reimbursement claimed in accordance with this policy and any approved exceptions hereto.

All travel must be consistent with the educational, research, and professional needs of Tennessee Tech. Employees must conduct all travel with integrity, in compliance with applicable laws, policies, and procedures, and in a manner that excludes considerations of personal advantage. Employees must exercise good judgment and conduct all aspects of travel in a cost-efficient manner.

**Tennessee Technological University
Policy No. 506**



Effective Date: July 1, 2017

Policy No.: 506

Policy Name: General and Group Travel Policies

Policy Subject: Policy and procedures for claiming travel expenditures and submitting claims

Effective Date: July 1, 2017

I. Purpose

This policy sets forth appropriate reimbursement rates and guidelines for all expenses incurred on official business travel for Tennessee Tech. Provisions of this policy also may apply to individuals other than employees who are authorized to travel at Tennessee Tech expense. Specific provisions of the policy also address the travel of Board members. Authorization for travel will not be granted and expenses will not be reimbursed unless the travel is made and reimbursement claimed in accordance with this policy and any approved exceptions hereto.

All travel must be consistent with the educational, research, and professional needs of Tennessee Tech. Employees must conduct all travel with integrity, in compliance with applicable laws, policies, and procedures, and in a manner that excludes considerations of personal advantage. Employees must exercise good judgment and conduct all aspects of travel in a cost-efficient manner.

II. Review

This policy will be reviewed every two years or whenever circumstances require review, whichever is earlier, by the Associate Vice President for Business and Fiscal Affairs in consultation with the Vice President for Planning and Finance, with recommendations for revision presented to the Administrative Council, University Assembly, and the Board of Trustees.

III. Definitions

Clerical and Support Employee: for purposes of this policy, employees who are not faculty and who are classified under the Fair Labor Standards Act as non-exempt.

IV. Policy

A. Authorization for general travel will not be granted and expenses will not be reimbursed unless the travel is made and reimbursement claimed in accordance with this policy, as may be amended from time to time. Reimbursement for travel expenses shall be limited to expenses incurred upon travel authorized in advance in accordance with Section B.

1. Travel which may be authorized, and pursuant to which expenses may be reimbursed, shall be limited to the following:

- a. Travel which is necessary for the proper execution of official Tennessee Tech business, or in justifiable pursuit of Tennessee Tech's educational and research objectives; or
 - b. Travel to meetings and conferences of a professional nature which will increase the attending employee's usefulness to Tennessee Tech.
2. Travel shall not include, and no reimbursement for expenses shall be made for, transportation in connection with an employee's official station of employment. The employee's "official station" is his/her regular area of employment activity, e.g., office headquarters, campus, or designated location of an employee established in the field.
 - a. The official station of an employee shall be designated by the appointing authority.
 - b. It is normally expected that the official station is that location at which the employee spends greater than 50% of his/her working time.
 - c. For an employee required to be on call (as determined by his/her job description), either overnight or on weekends, the official station of the employee while on call becomes his/her residence, or the location at which the employee receives the call. Reimbursable mileage begins at the location at which the employee receives the call.
 - d. In the event an employee is temporarily reassigned to a work location other than the usual official station, that location shall become the employee's official station. The employee will not be eligible for reimbursement unless the employee can demonstrate that commuting to the temporary location results in additional expense over the cost of the commute to the usual official station.
3. The employee is considered to be on official travel status (and, as such, eligible for reimbursement of travel expenses) at the time of departure from the employee's official station or residence, whichever is applicable, for the purpose of traveling on Tennessee Tech business.
 - a. Expenses for meals will be allowed when overnight travel is required outside the county of the employee's official station or residence.
 - b. En route lodging will be allowed for only one day each way on trips of long duration.
 - c. Expenses for lodging will only be allowed in cases where the approved and most direct or expeditious mode of travel will require more than ten (10) hours of continuous travel for trips of long duration.

B. Authorization of Travel

- 1.** The President or his/her designee shall have authority to approve travel by employees or students of Tennessee Tech. Each employee should consult with his/her administrative officer for the appropriate department's or division's approval procedures.
- 2.** In State Travel
 - a.** All employees should obtain prior authorization for in state travel by the employee's appropriate approving authority, except as noted in item b. below. Authorization may be verbal, written, or electronic.
 - b.** Written authorization may not be necessary for in state travel where the expected expenses will not be substantial, or when there is no advance notice of the circumstances necessitating the travel, and such travel is approved orally by the appropriate approving authority.
 - c.** Employees whose employment requires frequent in state travel may obtain blanket authorization in writing for such travel.
- 3.** Out of State Travel
 - a.** All employees must obtain prior written authorization for out of state travel, which must be approved by the employee's appropriate approving authority.
 - b.** The authorization must show the name of the person traveling, purpose of the trip, destinations, date of departure and return, mode of transportation, estimated expenses, and availability of funds.
 - c.** If, in the normal course of official business, the employee must routinely travel into another state and back in the same day, such travel will be considered in-state travel and shall be subject to the in-state travel provisions. This exception applies for trips which do not exceed 50 miles into another state.
 - d.** Employees whose employment requires frequent out-of-state travel may obtain blanket authorization in writing for such travel.
- 4.** All Other Travel
 - a.** Authorization for travel by an employee to Alaska, Hawaii, and all out-of-country travel shall be subject to approval by the President (or designee).
 - b.** Authorization for travel to Alaska, Hawaii, and all out-of-country travel by the president shall be subject to approval by the Tennessee Tech Board of Trustees.

C. Transportation

1. General

- a. All travel must be by the most direct or expeditious route possible and any employee who travels by an indirect route must bear any extra expense occasioned thereby.
- b. When work is performed by an employee in route to or from the official station, reimbursable mileage is computed by deducting the employee's normal commuting mileage from the actual mileage driven in performing the work in route to or from the official station. For example, if an employee normally commutes 10 miles (20 miles round trip), and performs work on the way home from the official station which results in 12 miles driven, the mileage reimbursement will be for 2 miles only, as that is the amount of mileage in excess of the employee's normal commute. In no instance shall mileage claimed for reimbursement exceed actual miles traveled.

2. Mode of Transportation

- a. Transportation for employees traveling singly should be by common carrier (air, train, or bus) whenever practical.
- b. The use of air travel is recommended when time is an important factor or when the trip is so long that other methods of travel would increase the subsistence expense.
- c. Automobile transportation may be used to save time when common carrier transportation cannot be satisfactorily scheduled, or to reduce expenses when two or more employees are making the trip.
- d. Reimbursement for personal vehicle use may be claimed at the lesser of the standard mileage rate or comparable cost of commercial transportation including taxi fares and/or limousine charges.

3. Common Carrier Travel

- a. When travel is by common carrier, the fare must not exceed the standard coach fare charged the general public, and advantage must be taken of round trip rates when available.
- b. The employee's copy of the ticket, or an acceptable receipt, must be submitted for reimbursement of common carrier expenses.

- c. Baggage fees will be allowed when necessary. A receipt is required for reimbursement.
- d. Charges for trip insurance are not reimbursable. The State of Tennessee is self-insured and does not purchase separate insurance, and therefore will not reimburse for insurance purchases made for trips.

4. Chartered Aircraft

- a. Generally, faculty and staff (including group travel and athletics) whose duties require travel will use commercial ground and air carriers or an institutional automobile. However, a chartered aircraft may be used if time and/or distance preclude ground travel or if a commercial air service is either unavailable or does not meet the needs of the traveler(s).
- b. The president shall assign the following duties to a responsible official:
 - i. Reviewing and approving requests for charter air services;
 - ii. Scheduling charter flights; and
 - iii. Informing those who request charter flights of the charter company's policy on canceling scheduled flights.
- c. Charter services will be utilized only when it can be shown that the charter does not exceed the sum of all traveling costs by commercial carrier (e.g. transportation, meals, and lodging) or that circumstances necessitate travel when no other means is available.
- d. The charter company must provide the institution with an original, itemized invoice showing the beginning and ending dates of the charter, the origin and destination of each flight, and the names of passengers on each flight.

5. Automobile Travel

- a. When travel by automobile is appropriate, employees may use Tennessee Tech owned automobiles whenever available and feasible. However, Tennessee Tech owned vehicles should be used only on official business.
 - i. When transportation is by a Tennessee Tech owned automobile, tolls, parking, gasoline, and storage expenses are allowable.
 - ii. When using Tennessee Tech owned automobiles, employees will be furnished with courtesy cards for purchase of gasoline, oil, and other automobile services, and such expenses should not be claimed by employees as travel expenses.

- iii. Emergency out-of-pocket expenses, such as towing or emergency repairs, will be reimbursed but must be accompanied by proper receipt identifying the automobile and itemizing the services. Such expenditures must be of an emergency nature when immediate service is required and access to a state facility is not possible.
- iv. Major repairs should be approved by campus officials prior to work being performed. Such expenditures are allowed but should be filed for reimbursement separately.

b. Personally-Owned Automobiles

- i. Mileage reimbursement rates are determined by the State of Tennessee Department of Finance and Administration and can be found on the [General Reimbursement Schedule](#) in the State's Comprehensive Travel Regulations.
- ii. The authorized mileage allowance includes all operating expenses such as gas, oil, and repairs precluding any separate claim for such items.
- iii. Employees may use reputable websites to determine point-to-point and/or vicinity mileage.
- iv. Procedures for calculating mileage are based on the fact that Tennessee Tech is prohibited from reimbursing employees for normal commuting mileage.
- v. If an employee begins or ends a trip at his/her official station, reimbursable mileage will be the mileage from the official station to the destination.
- vi. If work is performed by an employee in route to or from the official station, reimbursable mileage is computed by deducting the employee's normal commuting mileage from the actual mileage driven.
- vii. If an employee begins or ends a trip at a personal residence without stopping at the employee's official station, reimbursable mileage will be the lesser of the mileage from the employee's residence to the work destination or from the official station to the work destination.
- viii. On weekends and holidays, the employee may typically be reimbursed for actual mileage from his/her residence to the destination. If an employee travels between destinations without returning to his/her official station or his/her residence, reimbursable mileage is the actual mileage between those destinations.
- ix. The travel claim must indicate the employee's itinerary and must show the official business mileage. Business mileage as indicated by the official state map or reputable websites, such as Rand McNally, for out of state routes will be regarded as official. Vicinity mileage must be reported on a separate line and not included with point to point mileage. Only mileage on official business may be claimed.

x. Necessary charges for hotel and airport parking will be allowed.

6. Limousine and Taxi Service

- a. When travel is by common carrier, reasonable limousine and taxi fares will be allowed for necessary transportation.
- b. Bus or limousine service to and from airports will be used when available and practical.
- c. After arrival at destination, necessary taxi fares for traveling between hotels or lodging and meeting or conference will be allowed.
- d. No receipt is required for reimbursement of reasonable taxi fares.

7. Car Rentals at Destination

- a. Charges for automobile rental shall be allowed whenever it is more economical than alternative methods of transportation or it is the only practical means of transportation.
- b. Charges for insurance for rented automobiles are not reimbursable. The State of Tennessee is self-insured and does not purchase separate insurance, and therefore will not reimburse for insurance purchases made for rental vehicles.
- c. Employees should refuel before returning vehicles when possible.

8. Tolls and Ferry Fees

- a. Reasonable tolls and ferry fees will be allowed when necessary.
- b. No receipt is required for reimbursement of tolls and ferry fees.

9. Daily Parking Fees

- a. Employees required to utilize commercial parking facilities in the daily performance of duties, or while on travel status, will be allowed reimbursement for actual costs.
- b. Receipt is required if the fee exceeds the maximum indicated per day (see General Reimbursement Rate Addendum).

10. Unnecessary meals and lodging expenses which are occasioned by the use of an automobile for reasons of the employee's personal convenience, or which are due to travel by an indirect route, will not be allowed.
11. If travel is by common carrier, the employee will be reimbursed for expenses in traveling to and from the common carrier including related parking expenses. Receipts must be furnished on airport and hotel parking exceeding maximum parking allowance in General Reimbursement Rate Addendum.

D. Lodging

1. Lodging expenses incurred within the state while on authorized travel will be reimbursable to the maximum shown on the General Reimbursement Rate Addendum.
2. Out of State Lodging
 - a. Lodging expenses incurred out of the state while on authorized travel will be reimbursable to the maximum shown on the General Reimbursement Rate Addendum.
 - b. The maximum reimbursement rates for out-of-state travel are the same as those maintained by CONUS. The [CONUS](#) list, available on the General Services Administration web site, contains a standard reimbursement rate for lodging and meals and incidentals, and several pages of exceptions. Most destinations for out-of-state travel fall within the list of exceptions.
 - c. En route lodging will be allowed for only one day each way on trips of long duration. En route lodging will only be allowed in cases when the approved and most direct or expeditious mode of travel will require more than ten (10) hours of continuous travel.
3. Lodging expenses incurred while out of the country will be reimbursed at actual expenses with receipts.
4. Additional Lodging Expenses
 - a. Sales taxes on lodging costs will be reimbursable.
 - b. Higher rates for lodging at the location of a convention or conference will be allowed, without special approval, up to the amount indicated in the convention or conference brochure or conference website when attached to the travel claim.
 - c. Any exceptions must be approved by the President.

5. Shared Lodging

- a. In the event of double occupancy for state employees on official travel, both employees should attach an explanation to his/her travel claim detailing dates and other employees with whom the room was shared. The receipt for the entire amount should be submitted with both claims.
- b. The lodging cost may be claimed by the employee who incurred the cost, or one half the double occupancy charge may be allowable for each employee.
- c. If a room is shared with other than a state employee, actual cost subject to the maximum in the General Reimbursement Rate Addendum will be allowed.

E. Meals

1. In-State and Out-of-State Meals

- a. Meals while on authorized travel will be reimbursed, subject to the meal allowance provided on the General Reimbursement Rate Addendum.
- b. The maximum per diem rates include a fixed allowance for meals and for incidental expenses (M&I).
- c. The M&I rate, or fraction thereof, is payable to the traveler without itemization of expenses or receipts.
- d. Incidentals are intended to include miscellaneous costs associated with travel such as tips for baggage handling, phone calls home, etc.
- e. The M&I rates for out-of-state travels are the same as those for federal employees, and are available on the General Services Administration's web site. As with lodging, there is a standard rate for the continental United States ([CONUS](#)), and a list of exceptions.
- f. Reimbursement for meals and incidentals for the day of departure shall be three-fourths of the appropriate M&I rate (either the in-state rate or [CONUS](#) rate for out-of-state travel) at the rate prescribed for the lodging location.
- g. Reimbursement for M&I for the day of return shall be three-fourths of the M&I rate applicable to the preceding calendar day.
- h. The [CONUS M&I Breakdown](#) should be used to determine the single meal allowance and the three-fourths calculation, when appropriate.

- i. Reimbursement for meals will not be permitted when overnight travel is not involved.
2. Out-of-country meals are reimbursed at the maximum CONUS per diem rate for out-of-state travel. Reimbursements for actual receipts can be reimbursed if kept.
3. When the expenses for an official banquet of a meeting or conference are in excess of the meal allowance, the excess will be allowed provided a receipt or proper explanation of the charge is submitted.

F. Miscellaneous Expenses

1. Expenses for entertainment (employee or others), laundry, tips and gratuities, etc., are personal expenses and will not be reimbursed in excess of the incidental portion of the M&I rate.
2. Telephone, Internet and Fax Expenses
 - a. Charges for long distance telephone calls, internet, and/or fax on official business will be allowed.
 - b. Charges for necessary local calls on official business will be allowed.
3. Registration fees for approved conferences, conventions, seminars, meetings, etc., will be allowed including cost of official banquets and/or luncheons, if authorized in advance by the appropriate approving authority, and provided receipts are submitted with the travel claim.
4. Fees for the handling of equipment or promotional materials will be allowed up to the maximum indicated (see General Reimbursement Rate Addendum).

G. Claims

1. The standard Travel Expense Claim Form, approved by the Vice President for Planning and Finance, shall be used for reimbursement of expenses.
2. The form must show movement and detail of expenses on a daily basis, be signed by the employee, and be approved by the appropriate approving authority prior to reimbursement.
3. Employee signatures on the travel claims must be original or electronic by an approved method. Where adequate controls have been implemented to minimize risks associated with travel claims (such as the risk that duplicate claims will be submitted or alterations made to the original claim subsequent to approval by approving authority), travel claims may be submitted for payment electronically via email.

4. Receipts for appropriate expenses must be submitted with the claim for reimbursement.
5. Expenses for books, supplies, postage, and other items that do not constitute actual traveling expenses should not be included in the claim form.
6. Claims for reimbursement for travel expenses should be submitted no later than thirty (30) days after completion of the travel.
7. Complete travel claims and requisitions in accordance with the [Procedures Manual for Completing Travel Claims and Requisitions](#).

H. Travel Advances

1. Normally travel expenses should be paid when incurred by an employee, with reimbursement made to the employee for actual expenses upon proper submission of a claim for travel expenses. Advances to employees for anticipated travel expenses may be made under the circumstances hereinafter described as permanent and temporary travel advances. Travel advances for Clerical and Support employees are approved by their immediate supervisor. Travel advances for exempt employees must be approved by the President or his/her designee.
2. Permanent Travel Advances
 - a. When an employee has blanket travel authorization, and is expected to travel the major portion of each month, the employee may be placed upon permanent travel status.
 - b. Upon determination of the employee's estimated monthly expenses, if such expenses exceed \$100, the employee may be provided with a single advance in an amount sufficient to cover such expenses for one month, provided such amount may not exceed the semi-monthly salary of the employee.
 - c. Subsequent to the initial advance, the employee shall submit appropriate claims and be reimbursed as heretofore provided, with any unused portion of the advance to be returned upon termination of the employee's permanent travel status.
3. Temporary Travel Advances
 - a. When temporary travel is authorized for an employee, the employee may receive an advance, provided a request for the advance, including estimated expenses, is submitted to the appropriate approving authority with the request for written authorization for the travel, and is approved.

- b.** An amount equal to 80% of the estimated out of pocket expenditures will be allowed as an advance, however, no advance less than \$100 will be made.
- c.** Students traveling under individual authorizations or an employee traveling with a student or students who is responsible for disbursing all funds for the trip may be advanced 100% of the amount of the authorization.

4. Payroll Deduction Authorization

- a.** Each employee receiving a permanent or temporary travel advance for the first time must sign a payroll deduction authorization form which will allow Tennessee Tech to recover the advance from any salary owed the employee in the event of termination of employment or failure to submit a travel claim.
- b.** This deduction from payroll should be used as a last resort only in the event all other efforts to collect the advance have failed.

5. Expense Claim

- a.** Upon return, the employee should submit an expense claim detailing his/her actual expenditures. This claim should show the total expenses incurred. The advanced amount should be subtracted from this total. The excess expenses will be reimbursed to the employee.
- b.** No advance should exceed actual expenses. If this does happen, however, the excess should be returned by the employee to the business office for deposit as a credit against the original advance with proper distribution being made of the actual expenses incurred.
- c.** In the latter instance, the expense account claim should be forwarded to the business office with notification to file it with the advance request.

6. Non-business Expenses

- a.** You are eligible for reimbursement of travel expenses if your trip was entirely business related.
- b.** If your trip was primarily for business and, while at your business destination, you extended your stay, made a personal side trip, or had other personal activities, you can obtain reimbursement for only your business related travel expenses.
- c.** These expenses include the travel costs of getting to and from your business destination but do not include additional lodging, parking, and per diem for the days not required for the business travel.

- d. Additional days are not considered business related unless they are necessary to provide rest or sleep required for you to properly perform your duties.

I. Athletic and Other Student Group Travel

1. Athletic Recruiting

- a. If a staff member has a "courtesy vehicle" due to his/her association with Tennessee Tech, the maximum rate allowed will be the rate allowed under these policies, less the portion of the IRS business standard mileage rate treated as depreciation.
- b. The following are subject to prior approval by the president or designee:
 - i. Blanket travel authorization for scouting or recruiting; and
 - ii. The travel of visitors and guests at institutional expense for any occasion related to recruiting.
- c. The actual cost of guest meals may be claimed when incurred by a staff member for recruiting purposes. Such claims must be submitted in appropriate detail. Receipts are required.
- d. Student Recruits
 - i. Staff members are responsible for compliance with pertinent NCAA and conference rules regarding student recruits.
 - ii. Lodging in campus facilities may be arranged if space is available. If campus space is not available, arrangements may be made for lodging in local motels/hotels, and, with the approval of the athletic director or designee, may be charged to the athletic department.
 - iii. If available, the use of campus dining services should be arranged and costs may be charged to the athletic department. If necessary, staff members will be reimbursed at cost for off-campus meals, with reasonable and customary gratuities allowed. Receipts must accompany claims.
 - iv. Transportation may be arranged through a local travel service and charged to the athletic department with the approval of the athletic director or designee. Automobile mileage may be reimbursed to a student recruit at the maximum rate allowed under this policy and procedures for the use of a personal vehicle.
 - v. Entertainment expenses may be reimbursed at cost within NCAA and conference rules.

2. Travel
 - a. Institution officials and guests of the institution that accompany the team or student groups on trips must be approved in advance by the President or designee.
 - b. In all cases, team and group transportation will be arranged through established institutional procedures, and travel itineraries are to be arranged in advance.
 - i. Documentation must be maintained in the athletic or other appropriate departments or offices indicating that various cost alternatives have been explored before making all arrangements and reservations.
 - ii. However, if such arrangements are made by Tennessee Tech's purchasing office, that office should maintain the appropriate documentation.
 - c. A roster of all individuals on a particular trip must be included with the itinerary documentation for proper accounting and auditing purposes and filed with the travel claim.
 - d. A travel advance in the amount of 100% of the estimated trip expenses may be allowed. One person from the athletic department or coach staff member who is familiar with the travel regulations will be responsible for the advance and all bills connected with team or group travel.
 - e. Receipts are required for all team or group travel expenses.
 - f. Actual lodging expenses will be reimbursed.
 - i. Documentation must be maintained in the athletic department or other appropriate department or office indicating that various cost alternatives have been explored before making all arrangements and reservations.
 - ii. However, if such arrangements are made by the institution's purchasing office, that office should maintain the appropriate documentation.
 - g. Miscellaneous expenses, such as movies while on trips, must be supported by receipts.
 - h. Telephone calls by staff members for business purposes may be claimed with documentation
 - i. Individual meals associated with team or group travel will follow this policy.
 - j. All team or group meals and snacks will be reimbursed at actual cost.

- i. Gratuities not to exceed reasonable and customary rates are allowed.
- ii. Appropriate documentation and receipts are required.
- k. All travel claims and requisitions for team or group travel must be approved in writing by the appropriate approving authority.
3. Faculty who lead student group travel (abroad or domestic) must follow all requirements found in TTU Policy 215 (Faculty-led Domestic Trips) and TTU Policy 290 (Faculty-Led Study Abroad Short-Term Programs)

J. Exceptions

1. The President shall have the authority to grant exceptions to any part or all of the provisions of this policy when deemed appropriate and necessary; however, any exception directly affecting the President must be approved by the Chair of the Board of Trustees. Two areas of standing exceptions to the travel policy are provided. The first exception applies only to the President and Tennessee Tech employees traveling in the company of the President. The second exception applies to members of the Tennessee Tech Board of Trustees.
2. The first exception related to the President corresponds with Exception Number Three of the State's Comprehensive Travel Regulations. Special rates for this exception are found in the following addendum titled Special Rates Under Exception One. All provisions of Sections A through H of this policy shall be applicable unless superseded by the following.
 - a. Transportation: First class travel on common carrier shall be allowable at the option of the above designated persons when accompanying others not employed by Tennessee Tech who are traveling in first class accommodations.
 - b. Charges for automobile rental shall be allowed whenever it is more economical than alternative methods of transportation or whenever it is the only practical means of transportation.
3. The second exception - members of the Board of Trustees shall be reimbursed for travel in the performance of their official duties in accordance with applicable provisions of the general policy unless superseded by the following, which corresponds with Exception Number Four of the State's Comprehensive Travel Regulations, provided that necessary approvals shall be made by the President. Members of the Board of Trustees shall be reimbursed by Tennessee Tech for all allowable travel expenses upon submission of a Travel Expense Claim Form and appropriate receipts. Special rates for this exception are found in the following addendum under the title Special Rates Under Exception Two.

V. Interpretation

The Vice President for Planning and Finance or his/her designee has the final authority to interpret the terms of this policy.

VI. Citation of Authority for Policy

T.C.A. § 49-8-203(a)(1)(C); Tennessee Department of Finance and Administration:
Policy 8 – Comprehensive Travel Regulations

Approved by:

Administrative Council: 2017-02-22

University Assembly: 2017-04-19

Board of Trustees:



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: Policy 535 Foundations

Review

Action

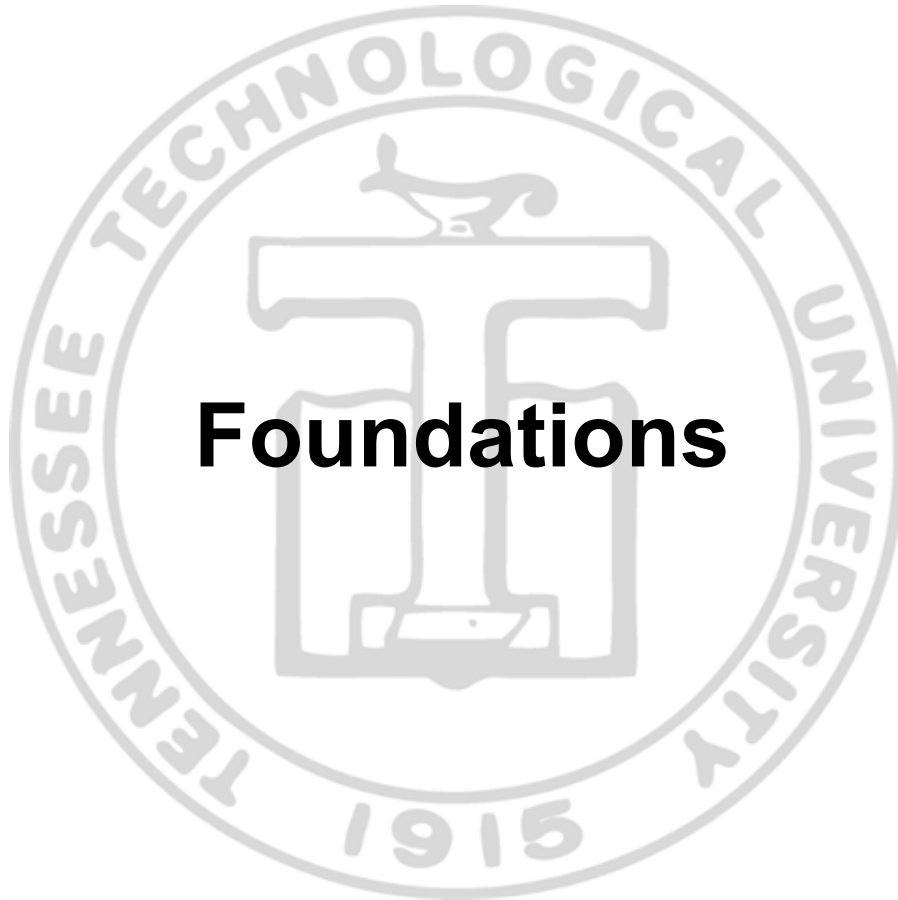
No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The purpose of this policy is to assure that, with regard to any foundation established to support Tennessee Tech, the relationship of the foundation to Tennessee Tech is clearly defined and is set forth in a formal, written manner that (1) defines the legal authority and operating control of Tennessee Tech with respect to the foundation; (2) describes the relationship of the foundation to Tennessee Tech and the extent of any liability arising out of that relationship; and (3) demonstrates that the fund-raising activities of the foundation further the mission of Tennessee Tech.

**Tennessee Technological University
Policy No. 535**



Foundations

Effective Date: July 1, 2017

Policy No.: 535

Policy Name: Foundations

Policy Subject: Policy on foundations

Date Effective: July 1, 2017

I. Purpose

The purpose of this policy is to assure that, with regard to any foundation established to support Tennessee Tech, the relationship of the foundation to Tennessee Tech is clearly defined and is set forth in a formal, written manner that (1) defines the legal authority and operating control of Tennessee Tech with respect to the foundation; (2) describes the relationship of the foundation to Tennessee Tech and the extent of any liability arising out of that relationship; and (3) demonstrates that the fund-raising activities of the foundation further the mission of Tennessee Tech.

II. Review

This policy will be reviewed every four years or whenever circumstances require review, whichever is earlier, by the Vice President for Planning and Finance, with recommendations for revision presented to the Administrative Council, University Assembly, and the Board of Trustees.

III. Policy

- A. A foundation is not an operational function of the university; it is a separate legal entity. A foundation's identity must be maintained separate from Tennessee Tech.
- B. A foundation's relationship to Tennessee Tech is based upon a shared interest in Tennessee Tech's development and success of its mission. Therefore, Tennessee Tech's participation in and support of foundation operations and activities are appropriate and desirable.
- C. The accountability of a foundation and of Tennessee Tech as it relates to the foundation is a concern common to the foundation and Tennessee Tech. Tennessee Tech must not promote, encourage, or agree to use of a foundation in ways that are, or appear to be, abusive, inappropriate, or do not follow sound business practices.
- D. General Requirements
 - 1. The governance structure of a foundation must be determined by the foundation. To ensure an appropriate level of university participation in the foundation governance, Tennessee Tech's President or his/her designee must hold a voting membership on the foundation's governing body. In order to assure that the foundation acts as a separate entity, a quorum of its governing

body may not consist of a majority of members who are employed by Tennessee Tech.

2. Tennessee Tech shall enter into a written agreement with any foundation governed by this policy that documents Tennessee Tech's understanding of their relationship and describes their respective responsibilities. Tennessee Tech must use a standard agreement that is attached to this policy or another agreement approved by the President. Every agreement must contain, at a minimum, the provisions of the standard agreement.
3. Tennessee Tech shall not enter into a written agreement with a foundation unless the foundation
 - a. Adopts an annual budget. In order to assure that the foundation's objectives are aligned with those of the university, Tennessee Tech shall advise the foundation of its needs and priorities for the fiscal year in question.
 - b. The foundation's governing body shall issue reports, at least annually, on the activities of the foundation, which shall be submitted to the President of the university. An annual financial report shall be issued, prepared in accordance with generally accepted accounting principles, including all required note disclosures. The report must be issued in a timely manner to be included as a component unit in the financial statements of Tennessee Tech.
 - c. Develops policies and procedures concerning its operations, including, but not limited to, the following:
 - 1) Policies that address the solicitation and acceptance of contributions to the foundation. The policies must incorporate sound business principles and safeguard compliance with donor intent and conditions. Such policies shall provide that, prior to acceptance of any gift to the foundation that will require substantial university support, such as staff, financial assistance, storage, on-going maintenance, etc., or become a liability for the University, the gift acceptance committee must review the details of the gift and recommend to the President approval and acceptance of the gift to further the mission of Tennessee Tech.
 - 2) Policies and procedures that address the management and investment of contributions to the foundation, subject to the requirements of the Uniform Prudent Management of Institutional Funds Act, T.C.A. Title 35, Chapter 10, Part 2.

- 3) Policies and procedures that address the foundation's procurement and contracting activities.
 - i. Such policies and procedures shall implement sound business practices and prudent use of foundation funds, including encouragement of the use of competitive procurement of goods and services, when practicable.
 - ii. Such policies and procedures must include a process for determining authority for authorizing contracts on behalf of the foundation and for authorizing expenditure of foundation funds. Authority for these functions cannot be delegated solely to an employee of the university.
 - 4) Policies that, in accordance with T.C.A. § 49-7-107(c), establish and adopt a code of ethics that apply to and govern the conduct of all members of the foundation's governing body. Such policies shall require that members review and acknowledge the code of ethics annually.
 - 5) Policies that identify who may release the foundation's records upon receipt of a request.
4. No university funds, including contributions to Tennessee Tech, may be transferred directly or indirectly to the foundation; however, this shall not prohibit Tennessee Tech from providing in-kind services to the foundation, such as office space and the use of support staff. It is understood that instances may occur where a donor inadvertently directs a contribution to Tennessee Tech which is intended for the foundation. Donor intent is always of utmost important as to where funds are directed.
 5. Foundations must respect the Board's and Tennessee Tech's authority over personnel administration. Foundation expenditures for compensation and other payments to or for the benefit of university personnel and reportable as income to the recipient, such as salary, expense accounts, automobiles, club or other organization memberships and dues, etc., must be approved in advance, annually, by the President, unless the salaries funded by the foundation are in accordance with Tennessee Tech's compensation plan and included in its personnel budget. Advance approval of the President shall be required if payments outside Tennessee Tech's compensation plan are made to or for the benefit of any Tennessee Tech employee. This provision does not apply to reimbursement of business expenses incurred by Tennessee Tech employees or to non-taxable recognition awards given to Tennessee Tech employees.

6. In accordance with T.C.A. § 49-7-107(b), all annual reports, books of account, and financial records of the foundation shall be subject to audit by the Comptroller of the Treasury of the State of Tennessee. Records and accounts maintained by the foundation shall be audited on the same cycle as the university audit performed by the Comptroller, or, with the prior approval of the Comptroller, an independent public accountant may perform such an audit. The contract between the independent public accountant and the foundation shall be approved in advance by the Board and the Comptroller and shall be on forms prescribed by the Comptroller. All annual reports, books of account, and financial records of a foundation shall be available for audit by Tennessee Tech's internal auditors.
 7. Copies of the initial and amended foundation charters and bylaws filed with the Secretary of State shall be submitted to the President and University Counsel.
 8. The Board of Trustees shall have the authority to grant exceptions to this policy when deemed appropriate and necessary. An exception must be requested and granted in writing.
- E. No later than twelve (12) months after adoption of this policy, Tennessee Tech shall have conformed any existing agreement with foundations to the requirement of this policy.

IV. Interpretation

The Vice President for Planning and Finance has the final authority to interpret the terms of this policy.

V. Citation of Authority for Policy

T.C.A. § 49-7-107

Approvers:

Administrative Council: 2017-04-05

University Assembly: 2017-04-19

Board of Trustees:



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: Policy 536 Solicitation and Acceptance of Gifts

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The purpose of this policy is to establish responsibilities and procedures regarding the solicitation and acceptance of Gifts to Tennessee Tech. Gift acceptance policies and procedures for Tennessee Tech are designed to provide prospective donors with the greatest flexibility—within legal parameters—in making Gifts in support of Tennessee Tech’s mission. In addition, these policies and procedures seek to do the following:

- A. Protect the interests of donors of charitable Gifts to Tennessee Tech;
- B. Protect the interests of Tennessee Tech; and
- C. Delineate the administrative responsibilities of Tennessee Tech with respect to charitable Gifts received.

Tennessee Tech values and is responsible for its integrity, independence, and freedom to pursue its mission to support its programs. Tennessee Tech will not accept Gifts that are overly restrictive in its ability to use them in support of its mission.

Tennessee Tech University
Policy No. 536



Effective Date: July 1, 2017

Policy No: 536

Policy Name: Solicitation and Acceptance of Gifts

Policy Subject: Policy on solicitation and acceptance of Gifts

Effective Date: July 1, 2017

I. Purpose

The purpose of this policy is to establish responsibilities and procedures regarding the solicitation and acceptance of Gifts to Tennessee Tech. Gift acceptance policies and procedures for Tennessee Tech are designed to provide prospective donors with the greatest flexibility—within legal parameters—in making Gifts in support of Tennessee Tech’s mission. In addition, these policies and procedures seek to do the following:

- A. Protect the interests of donors of charitable Gifts to Tennessee Tech;
- B. Protect the interests of Tennessee Tech; and
- C. Delineate the administrative responsibilities of Tennessee Tech with respect to charitable Gifts received.

Tennessee Tech values and is responsible for its integrity, independence, and freedom to pursue its mission to support its programs. Tennessee Tech will not accept Gifts that are overly restrictive in its ability to use them in support of its mission.

II. Review

This policy will be reviewed yearly or whenever circumstances require review, whichever is earlier, under the leadership of the Vice President for University Advancement in consultation with the Vice President for Planning and Finance, with recommendations for revision presented to the Administrative Council, University Assembly, and the Board of Trustees.

III. Scope

The scope of the Gift acceptance policy is limited to structures and programs housed within Tennessee Tech and Gifts specifically directed to Tennessee Tech and under its control. Pursuant to an agreement between Tennessee Tech and the Tennessee Technological University Foundation (hereinafter “Foundation”), the Foundation is the preferred vehicle to receive private Gifts supporting Tennessee Tech. However, should a donor specifically direct the Gift to Tennessee Tech, this policy will govern that Gift.

IV. Definitions

- A. Bargain Sale: generally occurs whenever property is sold to Tennessee Tech for less than its Fair Market Value.

- B. Bequests: provisions donors make through their wills or similar documents to provide assets to Tennessee Tech. Donors can change bequests, i.e., they are revocable.
- C. Bonds: debt instruments from which the bondholder receives interest.
- D. Cash Gifts: gifts where the donor does not retain any interest and can either be Unrestricted and available for use at Tennessee Tech's discretion or they can be Restricted for use in a particular Tennessee Tech program, or purpose, including Endowment. Cash Gifts can be made through currency, check, electronic funds transfer, wire transfer, credit/debit card, automatic deductions from bank accounts, or payroll deduction by Tennessee Tech employees.
- E. Charitable Trusts: trusts in which donors place substantial funds or assets into irrevocable trusts with an independent trustee. CT assets are to go to Tennessee Tech on the death of the donor (and/or any specified beneficiaries), with the donor and/or any specific beneficiaries to receive regular payments from the CT during their lifetimes.
- F. Closely Held Business Stock: securities that are not broadly or publicly traded, including "C" Corp and "S" Corp stock.
- G. Disposal: right of Tennessee Tech to dispose of the Tangible Personal Property as it sees fit, including selling, recycling, or other means.
- H. Donor Advised Funds: private funds administered by a third party for the purpose of managing charitable Gifts on behalf of an individual or family. A Donor Advised Fund allows the donor or others designated by the donor to make recommendations regarding charitable Grants made by the fund. The donor generally has significant latitude in directing these funds, but the foundation must, by law, retain the ability to ultimately direct Grants made by the fund.
- I. Electronic Delivery: donor holds securities in brokerage/trust account and instructs broker to transfer stock/bond to an account in Tennessee Tech's name.
- J. Endowment: Gifts made to Tennessee Tech and in which the donors and Tennessee Tech agree that the principal will not be expendable, except under terms of the Gift agreement. Endowment Gifts must adhere to Tennessee Tech's Endowment Policy 522.

- K. Fair Market Value: amount of money at which property would sell between a willing buyer and seller and is the value Tennessee Tech will use to value Tangible Personal Property, regardless of the value the donor may be able to claim as a deduction for income tax purposes.
- L. Gift: where the donor:
 - 1. Intends to make a charitable contribution (donative intent);
 - 2. Does not receive any goods or services or provision for exclusive information in return, except as provided in Internal Revenue Service guidelines;
 - 3. Does not retain any implicit control over the Gift once made and accepted by Tennessee Tech; and
 - 4. Awards the Gift irrevocably.
- M. Grants: typically made by corporations, foundations, or other organizations, may be treated as philanthropic contributions or Gifts as long as the terms of the Grants do not involve a contractual, quid pro quo relationship and/or proprietary deliverables back to the organization making the grant.
- N. IRA or Qualified Retirement Plan: Gifts in which donors make provisions that some or all of their retirement plan assets are distributed directly to Tennessee Tech upon donors' deaths.
- O. Life Insurance: both in-force and new policies that are used to make charitable Gifts to Tennessee Tech.
- P. Mutual Funds: vehicles in which investors pool their capital to buy Stocks or other securities selected by professional investors; may be comprised of Stocks, Bonds, or both.
- Q. Private Foundations: generally founded by an individual, a family, or a group of individuals, and are organized either as a nonprofit corporation or as a Charitable Trust. Donors can appoint themselves, as well as other family members or friends, to sit on the foundation's governing board. A Private Foundation must make minimum distributions of a percentage of its net investment assets each year, regardless of actual income earned. Distributions must be made to public organizations for charitable purposes.

- R. Publicly Traded Securities: Stocks and Bonds that are regularly traded on a public stock exchange.
- S. Real Estate Gifts: examples of Real Estate Gifts include single and multiple family residences, condominiums, apartment buildings, rental property, commercial property, farms, and undeveloped land.
- T. Restricted: Gifts donors make to Tennessee Tech for specific purposes (e.g., scholarship program, specific research project, Endowment) consistent with Tennessee Tech's mission.
- U. Retained Life Estate Gifts: Gifts of real property where Tennessee Tech does not take possession until the owner has ceased to retain his/her interest in the property. Examples of such Gifts are homes, condominiums, and farms, where the donor continues to occupy the residence or operate the farm without disruption during the donor's life. Thereafter, the residence or farm will either be sold or used by Tennessee Tech for purposes specified by the donor, if any.
- V. Series EE Bonds: purchased for 50 percent of their face value; difference between the value at maturity and their purchase price is taxed at the donor's ordinary income tax rate. Donors may not make a Gift of Series EE Bonds directly to a nonprofit organization without first being taxed on any accumulated income. Most donors will have deferred the taxation of interest on these Bonds and will most likely incur a substantial tax liability upon Gifting them to Tennessee Tech.
- W. Stocks: equity investments that represent ownership interest in a corporation; shareholders may receive a distribution of corporate profits through dividends.
- X. Supporting Organizations: sometimes called supporting foundations—are separate nonprofit corporations that operate under a non-profit organization's charitable umbrella. Through their own boards (on which the donors may choose to serve), Supporting Organizations determine their own investment strategies and grant priorities. They have flexibility, similar to that of a Private Foundation, but donors avoid the associated costs, excise taxes, and legal and administrative obligations of a Private Foundation, including minimum distribution requirements.
- Y. Tangible Personal Property: any personal property (other than real property) that is subject to personal ownership. Examples can include personal collections of art, books, coins, or movies; cars, boats, and aircraft; animals, such as livestock; equipment; software; printed materials; and food or other items used

for hosting dinners. Such property may include Gifts donated for purposes of being auctioned at charity fundraising events.

- Z. Unrestricted Gifts: made by donors for uses determined by Tennessee Tech, i.e., donors do not place any restrictions on how Tennessee Tech can use their Gifts.

- AA. U.S. Treasury Agency Securities: Securities issued by agencies of the U.S. Government (e.g., Federal National Mortgage Association).

- BB. U.S. Treasury Bills: short-term (less than 1 year) securities issued by the U.S. Government; holder receives face amount at maturity.

- CC. U.S. Treasury Bonds/Notes: U.S. Government-issued Bonds with maturities from 1 to 30 years; holder receives face amount at maturity.

- DD. Zero Coupon Bonds: Bonds that are purchased at a discount and reach face value at maturity.

V. Policy/Procedure

A. General Statement

1. The Board of Trustees recognizes the vital importance of Gifts to Tennessee Tech.

2. The Board of Trustees authorizes and encourages Tennessee Tech to solicit and accept Gifts for purposes that are consistent with the mission.

3. The President is authorized to accept Gifts on behalf of Tennessee Tech, subject to the following conditions:
 - a. Only the Board of Trustees may accept a Gift if board acceptance is a condition set by the donor;

 - b. Only the President and Board of Trustees may accept Gifts of real property or any permanent interest in real property, and title must be conveyed to the Board on behalf of Tennessee Tech, in the name of Tennessee Tech for the use and benefit of Tennessee Tech.

 - c. Any acquisition of real property by Gift or devise that obligates Tennessee Tech to expend State of Tennessee funds for capital improvements or continuing operating expenditures must be approved by the State Building Commission in accordance with T.C.A. 4-15-102(d)(2) prior to acceptance by the President and Board of Trustees. Any such Deed transferring title to

Tennessee Tech shall not be recorded until the State Building Commission has approved the acceptance of the Gift property.

4. Gifts with conditions of use such as the development of a new academic program or use on a new capital project must be approved by the President prior to acceptance.
5. The President must approve gifts of property subject to an indebtedness prior to acceptance.
6. The President shall designate the campus official(s) authorized to approve and conduct activities for the purpose of soliciting Gifts to Tennessee Tech.

B. Guiding Principles

1. Tennessee Tech will seek Gifts from individuals, corporations, foundations, and other organizations that enable Tennessee Tech to support its mission.
2. In accepting Gifts, Tennessee Tech also accepts the responsibility to donors to steward Gifts, administer them properly, provide donors with appropriate financial information about their Gifts, and report, as appropriate, to donors about their Gifts' uses.
3. Gifts accepted by Tennessee Tech must not inhibit it from seeking Gifts from other donors or potential donors.
4. Gifts must be designed and administered in a manner consistent with legal requirements.
5. For sponsorship payments to be credited as a Gift, the payment must meet the IRS' Qualified Sponsorship Payment determination (IRS 598).
6. Tennessee Tech supports the [Donor Bill of Rights](#) as adopted by the Association of Fundraising Professionals (AFP).
7. In working with donors and prospective donors, Tennessee Tech staff members must practice the following to help avoid misunderstanding and/or conflict between donors and Tennessee Tech.
 - a. Gifts made with the condition that Tennessee Tech will spend the proceeds for the personal benefit of a named individual or individuals (e.g., tickets to athletics events) are not deductible for income tax purposes

and, therefore, are not receipted as charitable Gifts by Tennessee Tech.

- b. Tennessee Tech staff can provide personalized assistance to donors who seek to understand and choose from the wide range of giving vehicles and should inform such donors about specific protocols involved in Tennessee Tech approval and acceptance of various types of Gifts.
- c. While Tennessee Tech staff strive to maintain familiarity with current tax laws and policies, they are not able to give legal or tax advice to donors. Therefore, the information that Tennessee Tech staff members provide, along with the information provided in these policies, must not be considered or used as legal or tax advice.
- d. Donors and prospective donors must always confer with their own legal counsel, tax, and/or financial planning advisors for opinions about the tax or other legal consequences of specific Gift situations. This is especially true for planned Gifts and estate planning.
- e. Tennessee Tech will seek the advice of legal counsel in matters pertaining to Gifts of a complex nature.

C. Outright Gifts: Cash, Check, Credit/Debit Card, or Wire Transfer

- 1. TTU Policy 504.1 – Revenue Collection, Receipting and Reconciliation – must be followed when accepting Cash Gifts on behalf of Tennessee Tech.
- 2. Donors must be instructed to make all checks payable to Tennessee Tech University (if the Gift is designated for Tennessee Tech and not the Foundation). If the donor wants the Gift credited to a specific purpose, program, or fund, he/she must note that on the check and/or provide a separate letter of instruction or comparable instructions with the check. Otherwise it will be considered an Unrestricted Gift.
- 3. Checks received in other Tennessee Tech departments and units must be forwarded within one working day to Advancement Services, Alumni Building, with all original documentation, including envelopes and matching Gift forms that accompany the checks.
- 4. For determining receipt of the Gift for fiscal year and calendar year recognition purposes, the postmark date or comparable date will be used to determine the recognition date of the Gift.
- 5. Legal credit will be given to the individual or organization that is the legal owner of the account on which the check is drawn. This includes Gifts from

partnerships, family foundations, community foundations, family or closely-held corporations, and donor-directed/donor-advised funds.

6. If it is unclear who owns the funds given to Tennessee Tech, Advancement Services staff will call the entity listed on the check.
7. For a wire transfer, the donor must give the financial institution the instructions on the Wire Transfer Information Form (or comparable instructions). This form must then be submitted and completed by the Executive Director of University Advancement.
8. Tennessee Tech can accept Gifts charged on MasterCard, Visa, American Express, and Discover. The date of the Gift is the date that the charge is processed, rather than the date the donor authorizes the charge—either by phone, mail, or email. Under Revenue Ruling 78–38, payment is not considered made—and, therefore, deductible by the donor—until the date the credit card transaction actually takes place, regardless of when the donor’s credit card information is mailed and postmarked, phoned in, or emailed. To assist donors in making credit card Gifts, employees must refer the donor to the Gift and Pledge Services staff within Advancement Services.
9. Donors can also make Gifts using a credit/debit card through Tennessee Tech’s website by following the instructions on the “Give” button.
10. Tennessee Tech employees can make charitable contributions via payroll deduction by completing and signing the Payroll Deduction Form and submitting it to the Vice President for Advancement’s office. The amount authorized will be deducted from the employee’s pay each pay period and then moved to accounts designated by the employee. Payroll deductions can be terminated at any time upon submitting a Payroll Deduction Form requesting termination.

D. Outright Gifts: Publicly Traded Securities and Mutual Fund Gifts

1. A gift cannot be considered a charitable contribution until the donor relinquishes control of the asset. This occurs at different times depending on the nature of the transaction. To ensure prompt and accurate credit of stock Gifts, notify the Executive Director for University Advancement about all pending and received Gifts of marketable securities.
2. The most efficient and effective way to transfer marketable securities to Tennessee Tech is through Electronic Delivery. This transfer, which should be completed in 1 to 3 days, is deemed “complete” when the stock/bond/Mutual Fund shares are in a Tennessee Tech account that effectively gives Tennessee Tech “control” of the asset.

3. The Tennessee Tech staff member should advise the donor that he/she needs to give the name of the security, number of shares, date of transfer, and Gift designation in order to ensure prompt and accurate completion of the Gift.
4. When a donor personally delivers marketable securities to Tennessee Tech, the Gift will be deemed “complete” for income tax purposes on the day of delivery as long as Tennessee Tech has received the certificate with the back signed or a separate stock power is delivered and signed exactly as the names appear on the certificates. The certificates and all documentation shall be delivered immediately to Executive Director for University Advancement.
5. When donors decide to mail marketable securities to the Tennessee Tech through the U.S. Postal Service (or FedEx, UPS, or other private carrier), the donors should be advised to send the unendorsed certificate in one envelope and a stock power (signed exactly as the names appear on the certificates) in a separate envelope—both by registered mail. The Gift will be deemed “complete” on the date of the postmark of the latter envelope. The certificates and all documentation shall be delivered immediately to the Executive Director for University Advancement.
6. Tennessee Tech will issue a receipt for income tax purposes that indicates the name of the company (e.g., IBM), the number of shares (e.g., 200) the donor has given to Tennessee Tech, the date Tennessee Tech took control of the asset, and the purpose(s) for which the proceeds from the securities are to be used. Tennessee Tech will not indicate the dollar value of the securities on this receipt, because the dollar value is a matter between the donor and the IRS.
7. Tennessee Tech will immediately authorize its broker to sell all shares upon receipt.
8. For donors who want to make Gifts by transferring shares in open-end Mutual Fund companies, the Mutual Fund company will require the donor to sign a form authorizing it to transfer the shares to Tennessee Tech’s account. Then, Tennessee Tech is required to complete a form that establishes that account and also submits a Corporate Resolution that authorizes selected individuals to act on behalf of Tennessee Tech. Some or all of the following may be needed: (a) letter of instructions from the shareholder, (b) letter of instructions from Tennessee Tech, (c) Corporate Resolution from Tennessee Tech, and (d) [W-9 Form](#) from Tennessee Tech.
9. Tennessee Tech will immediately redeem the Mutual Fund shares and close the account so that each transaction is unique, absent unusual circumstances. The Gift is not “complete” until an account is established in Tennessee Tech’s name and the shares are transferred into that account.

10. IRS regulations require that the Gift value for a publicly-traded stock or bond will be determined by taking the average of the high and the low trading price on the day the Gift is deemed completed. Mutual Fund shares are valued for Gift purposes at the net asset value (NAV) at the close of the day on which the Gift was received. Tennessee Tech will use the IRS Gift value as the recognition value for the donor's Gift.

E. Outright Gifts: U.S. Government and Other Agency Securities Gifts

Gifts of U.S. Treasury Bills, Bonds, Notes, Zero Coupon Bonds, Agency Securities, and Series EE Bonds is a complex process. Donors need to seek the advice of their financial advisors before gifting these assets to Tennessee Tech.

F. Gift Acceptance Committee

1. The Gift acceptance committee is comprised of the Vice President for University Advancement, Vice President for Business and Planning, and the Executive Director of University Advancement, who chairs the committee.
2. As needed and appropriate, other Tennessee Tech staff will serve as resources to the committee.
3. The committee is charged with gathering, analyzing, and reviewing non-traditional Gifts or Gift opportunities with the goal of making a written recommendation to the President/Board of Trustees as to the acceptance of the Gift.

G. Real Estate Gifts

1. The Executive Director for University Advancement will work with the appropriate Tennessee Tech personnel to obtain all necessary information for review before a Real Estate Gift can be accepted. The Gift Acceptance Committee will submit a recommendation to the President/Board for final approval of the Gift. The information needed includes the following:
 - a. Appraisal of the property by a qualified appraiser.
 - b. Real Estate Acquisition Data Sheet that identifies both the environmental and financial risks associated with the property.
 - c. Copy of deed and other survey or relevant documents that the donor may share.

2. The Executive Director of University Advancement will work with the donor to obtain an independent qualified appraisal of the property made no earlier than 60 days before the Gift and no later than the day before the date on which the tax return claiming the deduction is filed (including extensions). The IRS requires that the appraisal be arranged and paid for by the donor; therefore, Tennessee Tech cannot pay for this expense without potentially jeopardizing the donor's income tax deduction.
3. The donor must complete and sign the Real Estate Disclosure Data Sheet that provides information about the property, including mortgages, restrictions, covenants, liens, easements, and other encumbrances. In addition, upon review by the Gift acceptance committee, the donor may be required to sign a separate agreement releasing Tennessee Tech from any encumbrances on the property.
4. The donor must provide a copy of the deed. Other information, including a recent survey of the property, title insurance policy, or attorney's title opinion, would be helpful.
5. Property subject to a mortgage can result in potential unrelated debt-financed income issues (UBTI) for Tennessee Tech. Therefore, Tennessee Tech needs to review carefully the pertinent IRS rules before accepting property Gifts on which there are mortgages.
6. To maximize the donor's chances of receiving a charitable tax deduction for his/her Real Estate Gift in the current tax year, the donor should be encouraged to start this process no later than October 15, because the Gift acceptance process can take 4 to 6 weeks.
7. If accepted, Tennessee Tech will issue a receipt containing the legal description of the real estate but not its appraised value. IRS Form 8282 must be completed if Tennessee Tech sells the property within three years. Tennessee Tech must also sign IRS Form 8283 if provided by the donor.
8. Absent unusual circumstances, Tennessee Tech disposes of Real Estate Gifts as expeditiously as possible, except for real estate that Tennessee Tech deems useful for program purposes. In disposing of Real Estate Gifts, Tennessee Tech will follow all IRS rules, including reporting any sales occurring within three years of the date of the Gift. All applicable requirements of the State Building Commission must be followed.

9. For Tennessee Tech to accept a Gift of a divided interest in multiple-owned property, a legal agreement must exist with the other owners regarding ultimate disposition of the property.
10. Gifts of partial interests will not normally be accepted with the exception of a retained life estate interest.
11. Because of the time, expense, and market risk associated with obtaining Real Estate Gifts, the property must normally have an aggregate market value of at least \$50,000.

H. Tangible Personal Property (Gifts-in-Kind)

1. In general, Tennessee Tech will accept only Tangible Personal Property that can be readily liquidated and the funds applied to supporting Tennessee Tech's mission. Exceptions will be made when Tennessee Tech can use the Tangible Personal Property in carrying out its programs without undue additional expense.
2. No Tangible Personal Property shall be accepted that obligates Tennessee Tech to ownership of it in perpetuity, and no perishable property or property that will require special facilities or security to properly safeguard will be accepted. The Gift acceptance committee must review and approve any exceptions.
3. In evaluating all proposed Gifts of Tangible Personal Property, Tennessee Tech seeks to avoid Gifts whose acceptance includes costs and risks; often, a minimum value is required to ensure a sufficient gain to offset the cost of acceptance.
4. If the Gift of Tangible Personal Property is likely to be valued at more than \$5,000, the donor must have it appraised by a qualified appraiser within 60 days prior to the Gift's transfer to Tennessee Tech. Tennessee Tech will not pay any expenses connected with such appraisals.
5. A Tennessee Tech staff member will prepare a written summary of the proposed Gift of Tangible Personal Property and submit it to the Gift acceptance committee. At a minimum, this summary should include:
 - a. Description of the property (e.g., if artwork, the title, artist's name, medium, dimensions, and condition) and any special requirements or problems in connection with the Gift.
 - b. Estimate or appraisal of the Gift's Fair Market Value and marketability.

- c. Potential Tennessee Tech use, including a written assessment about how Tennessee Tech would benefit from the asset.
 - d. Special arrangements requested by the donor concerning Disposal (e.g., price considerations, time duration prior to disposition, and potential buyers).
6. After reviewing the material, the Gift acceptance committee will make a determination whether to accept or reject the proposed Gift of Tangible Personal Property. The Committee's final determination will be communicated in writing to the donor.

If the Gift acceptance committee approves receipt of the Gift on behalf of Tennessee Tech, then Tennessee Tech will not appraise or assign a value to the Gift. IRS Form 8282 must be completed if Tennessee Tech sells the property within 3 years. Tennessee Tech must also sign IRS Form 8283 if provided by the donor.

7. Donors should be notified at the beginning of Gift discussions that Tennessee Tech will, as a matter of policy, cooperate fully in all matters related to IRS investigations of non-cash charitable Gifts.

I. Company Products and Services (Gifts-in-Kind)

1. No corporate or business Gifts-in-kind shall be accepted that obligate Tennessee Tech to ownership of them in perpetuity or for a specified period of time, and no perishable property or property that will require special facilities or security to properly safeguard will be accepted. The Gift acceptance committee must approve any exceptions.
2. In evaluating all proposed corporate and business Gifts-in-kind, Tennessee Tech seeks to avoid Gifts whose acceptance includes unacceptable costs and risks.
3. The Executive Director for University Advancement will prepare written summaries of proposed corporate Gifts-in-kind and submit them to the Gift acceptance committee. At a minimum, these summaries should include:
 - a. Descriptions of the property and any special requirements or problems in connection with the Gift.
 - b. Estimate or appraisal of the Gift's Fair Market Value, less any non-profit discounts.

- c. Purposes of the Gift-in-kind, including Tennessee Tech programs that would benefit from using it.
 - d. Special arrangements requested by the company concerning Disposal (e.g., time duration).
4. After reviewing the material, the Gift acceptance committee will make a determination whether to accept or reject the proposed Gift-in-kind. The committee's final determination will be communicated in writing through a Development staff member to the corporation or business.
5. Donors should be notified at the beginning of Gift discussions that Tennessee Tech will, as a matter of policy, cooperate fully in all matters related to IRS investigations of non-cash charitable Gifts.

J. Deferred Gifts

1. Charitable Bequests
 - a. Donors can include bequests to Tennessee Tech in the body of their wills or in additions to them (codicils).
 - b. To name Tennessee Tech as a beneficiary, donors must use "Tennessee Technological University" as the entity to receive the Gift.
 - c. Donors who have indicated they have included Tennessee Tech in their estate plans will be encouraged to share copies of the sections of their wills or other similar documents with the director for planned giving for record-keeping and stewardship purposes.
 - d. The Gift acceptance committee, along with Tennessee Tech's legal counsel, will review Gifts from deceased donors' estates that include property that is not acceptable and that Tennessee Tech intends to reject. Decisions shall be communicated expeditiously by Tennessee Tech's legal counsel to the estates' legal representatives.
2. Life Insurance
 - a. Tennessee Tech will accept in-force Life Insurance policies under the following conditions:

- 1) Full ownership must be transferred to Tennessee Tech.
 - 2) Tennessee Tech reserves the right to surrender a policy if it so desires.
 - 3) Policies must have a net cash value with no outstanding loans.
 - 4) Before accepting a policy, Tennessee Tech must be provided with a summary of the policy, including the donor's cost basis and current cash surrender value.
 - 5) When applicable, the donor should agree to contribute, on an annual basis, the amount necessary to maintain the policy in force.
- b. New Life Insurance policies taken out by donors must meet the following criteria:
- 1) The policy must be with an insurance company rated A or better by A.M. Best Co.
 - 2) All proposals for Gifts of Life Insurance must be submitted to Tennessee Tech prior to making application for the policy and, if necessary, reviewed by the Gift acceptance committee.
 - 3) Tennessee Tech will not accept any insurance policy where the intent of the donor is for Tennessee Tech to pay future premium payments through policy loans.
3. Charitable Trusts
- Tennessee Tech will apply the following provisions in working with donors who want to establish Charitable Trusts.
- a. In general, Tennessee Tech will not serve as sole trustee for a Charitable Trust.
 - b. Careful consideration will be given to the age of the income beneficiary or beneficiaries, anticipated period of time the trust will be in existence, rate of payout, property intended to fund the trust, projected remainder interest to Tennessee Tech, and other pertinent factors prior to agreeing to serve as trustee of a Charitable Trust.
 - c. Donors are free to select their own trustees in situations where Tennessee Tech does not serve as co-trustee.

- d. Fees for management of a Charitable Trust will be paid by the trust.
 - e. No Charitable Trust shall be encouraged for which Tennessee Tech serves as co-trustee and that names individuals less than 60 years of age as income beneficiaries, or which names more than two income beneficiaries.
 - f. No Charitable Trust shall be encouraged where it is determined that the calculated value of the remainder interest in the trust is less than 25 percent of the value of the funds transferred to the trust.
 - g. The minimum amount required to establish a Charitable Trust for which Tennessee Tech serves as co-trustee is \$50,000.
 - h. Income payments will be jointly determined by Tennessee Tech and the donor at the time the trust is established.
4. Retained Life Estate Gifts
Tennessee Tech will apply the following provisions in working with donors who want to make Retained Life Estate Gifts.
- a. As the life tenant of the property, the donor is still obligated to pay real estate taxes and fees for maintenance and insurance.
 - b. Tennessee Tech usually accepts a retained life estate based on the life expectancy of the donor, i.e., not based on a fixed term.
 - c. All Gifts of retained life estates must be reviewed by the Gift acceptance committee.
 - d. Procedures for evaluating proposed life estate Gifts, as outlined in the Real Estate Gifts section above also apply to Gifts of retained life estates.
 - e. The value of the property must be at least \$50,000 for Tennessee Tech to consider receiving it.
 - f. The same approvals are needed as in Section V. F above.
5. IRA and Qualified Retirement Plan Gifts
The Executive Director for Planned Giving will apply the following provisions in working with donors who want to make Gifts through their IRAs or Qualified Retirement Plans.

- a. The donor will provide language to name Tennessee Tech as the beneficiary of assets from IRAs or other Qualified Retirement Plans.
- b. The Executive Director of Planned Giving will obtain verification of the commitment in the form of a letter from the donor or the donor's advisor.

K. Charitable Trusts and Other Charitable Entities Administered by Others

1. Because of the complexity of Gifts made to establish Supporting Organizations and Donor Advised Funds within Tennessee Tech, the Gift acceptance committee must review and approve all such arrangements.
2. Grants from Donor Advised Funds cannot be used to made payments on pledges committed by individual donors nor can the donor be provided any tangible benefit(s) from the donor advised Gift.

L. Non-Traditional Gifts

1. Non-traditional Gifts are complex assets that donors may want to use as Gifts because they offer opportunities to make substantial Gifts to Tennessee Tech while realizing substantial tax benefits. Frequently, these assets are related to business interests that donors have (e.g., partnership interests, oil and gas leases, and stock options).
2. The value of Closely Held Business Stock must be determined by a qualified appraiser as defined by the Internal Revenue Code. Copies of any shareholder buy/sell agreements must be obtained. The Gift acceptance committee must review pertinent documents to determine if Tennessee Tech should receive the securities as a Gift.
3. If Tennessee Tech intends to sell property obtained through a Bargain Sale, it must be determined that there is a market within a 12-month time horizon for the sale of the property.
4. Donors must assign both the royalty payments and the copyright (or other agreement) from which the royalty payments flow to Tennessee Tech.
5. The Gift acceptance committee must approve all Gifts of nontraditional assets.
6. Because of the infrequency and complexity of Gifts of nontraditional assets, these Gifts can carry with them additional risks and costs.

7. Tennessee Tech must make prudent decisions regarding the acceptance of these types of Gifts, as well as provide guidance to donors and their advisors regarding the impact such Gifts may have on donors' tax situations.

M. For purposes of distinguishing university Gifts and related procedures from those of the foundation established pursuant to Tennessee Tech Policy 535 (Foundations):

1. Tennessee Tech may not accept Gifts specifically intended for the foundation, and only Gifts specifically for a foundation may be accepted by a foundation.
2. In general, Tennessee Tech resources may not be used to meet conditions of Gifts to a foundation, and only Gifts specifically intended for a foundation may be accepted by a foundation.
3. Tennessee Tech must maintain records of Gifts to the university separate from those of Gifts to the foundation

VI. Interpretation

The Vice President for University Advancement and the Vice President for Business and Planning, or their designees, jointly have the final authority to interpret the terms of this policy.

VII. Citation of Authority for Policy

T.C.A. § 49-8-203(a)(2)

Approved:

Administrative Council: 2017-04-05

University Assembly: 2017-04-19

Board of Trustees:



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: Policy 562 Assignment of Motor Vehicles

Review

Action

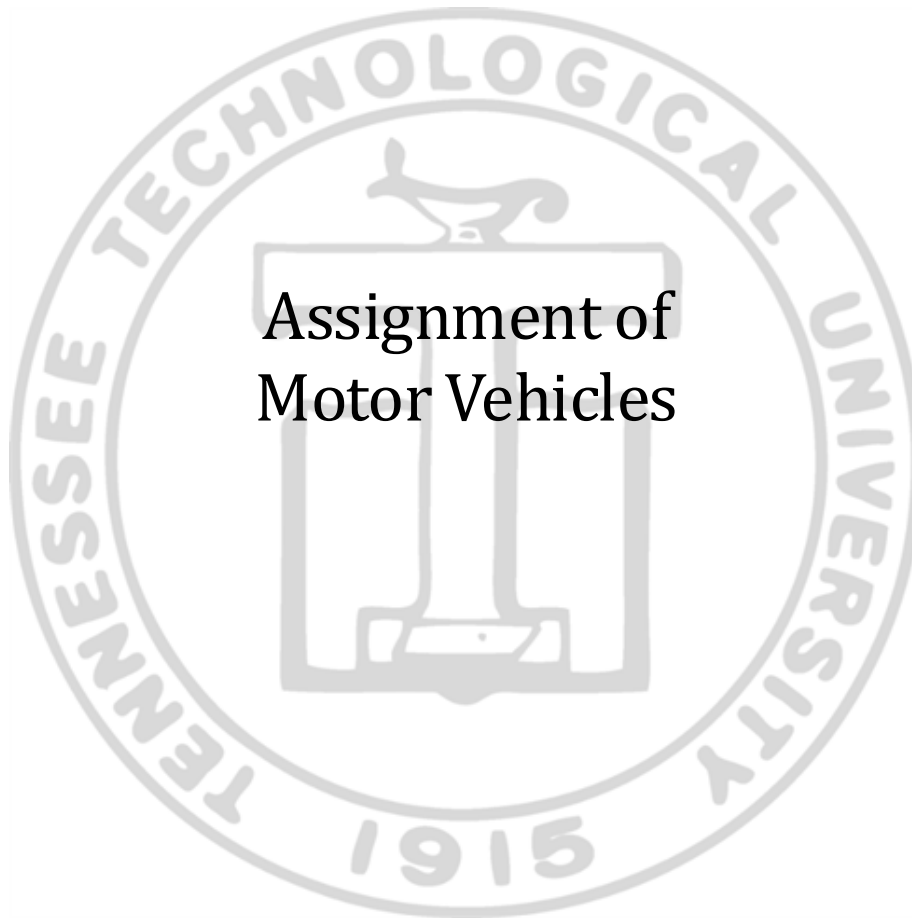
No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The purpose of this policy is to provide structure to the assignment of a university-owned motor vehicle to Tennessee Tech's President.

Tennessee Technological University
Policy No. 562



Assignment of
Motor Vehicles

Effective Date: July 1, 2017

Policy No: 562
Policy Name: Assignment of Motor Vehicles Policy
Policy Subject: Motor vehicle assignment
Effective Date: July 1, 2017

I. Purpose

The purpose of this policy is to provide structure to the assignment of a university-owned motor vehicle to Tennessee Tech's President.

II. Review

This policy will be reviewed every four years or whenever circumstances require review, whichever is earlier, by the Associate Vice President of Facilities and Business Services and consultation with the Vice President for Planning and Finance, with recommendations for revision presented to the Administrative Council, University Assembly, and the Board of Trustees.

III. Policy

A. At the time of employment, the Tennessee Tech President may elect to receive:

1. Assignment of an institutional motor vehicle for her/his use; or
2. A motor vehicle allowance.

B. This election should be made at either;

1. The time of employment, or
2. As assigned motor vehicles are replaced.
 - a. This replacement should occur as needed based on the useful life of the vehicle and accumulated mileage.
 - b. In no circumstances should the replacement cycle be less than three (3) years.

C. Once the President elects to take the motor vehicle allowance, the President cannot change to an assigned vehicle.

D. If the President selects a university-owned motor vehicle, Tennessee Tech will provide a four-door passenger sedan no more than five years old.

1. Tennessee Tech will be responsible for the operating and maintenance costs of the motor vehicle.

2. In recognition that use of the assigned motor vehicle may include non-business use, the President is required to maintain appropriate types and amounts of insurance to cover any non-business use of the motor vehicle.
 3. To the degree that the motor vehicle is used for non-business purposes, Tennessee Tech shall report on the President's Form W-2 the value of such personal use in the employee's income as compensation subject to withholding for federal income taxes and applicable FICA taxes. Additionally, these amounts shall be considered as compensation for employee benefit purposes.
- E. If the President selects a motor vehicle allowance, the President shall receive a monthly cash allowance from Tennessee Tech.
1. The monthly automobile allowance, under Internal Revenue Service (IRS) regulations, must be included in compensation on the employee's Form W-2 and is subject to federal withholding and applicable FICA taxes. Additionally, automobile allowance payments are considered compensation for employee benefit purposes.
 2. The President shall be responsible for all expenses related to the purchase/lease of a motor vehicle appropriately suited for the conduct of Tennessee Tech business as well as operation, insurance, maintenance, and repair costs.
 3. Tennessee Tech's Office of Business and Fiscal Affairs will initially calculate and periodically update the monthly automobile allowance amount based on the estimated monthly lease value of the motor vehicle and an operating component that applies a mileage rate that considers only the marginal operational cost of a vehicle and assumes 12,000 business miles are driven annually.
 4. A President whose business-related travel exceeds 12,000 miles annually is eligible to be reimbursed for the additional business-related mileage.
 - a. If requesting such reimbursement, the President must provide a log that documents all business-related miles for the year.
 - b. The log submitted should comply with IRS guidance for documentation of business usage of a motor vehicle.
 - c. The reimbursement rate shall equal the Board's approved mileage rate at that time, less the IRS standard mileage rate at that time attributed to depreciation.

- d. This mileage reimbursement paid is not considered compensation for income tax purposes and is not subject to federal withholding and applicable FICA taxes.

IV. Interpretation

The Vice President of Planning and Finance or his/her designee has the final authority to interpret the terms of this policy.

V. Citation of Authority for Policy

T.C.A. 49-8-203(a)(1)(C)

Approval:

Administrative Council: 2017-04-05

University Assembly: 2017-04-19

Board of Trustees:



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: Policy 648 Financial Exigency

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

The purpose of this policy is to establish the criteria and process regarding financial exigency at Tennessee Tech.

**Tennessee Technological University
Policy No. 648**



Effective Date: July 1, 2017

Policy No.: 648

Policy Name: Financial Exigency

Policy Subject: Financial Exigency

Effective Date: July 1, 2017

I. Purpose

This policy establishes the criteria and process regarding financial exigency at Tennessee Tech.

II. Review

This policy will be reviewed every four years or whenever circumstances require review, whichever is earlier, by the Associate Vice President for Human Resources in consultation with the Vice President for Planning and Finance, with recommendations for revision presented to the Administrative Council, University Assembly, and the Board of Trustees.

III. Scope

This policy does not pertain to reduction-in-force for staff positions and only pertains to the elimination of faculty and/or programs as a result of a financial crisis. Any reduction-in-force or reorganization of staff positions will follow TTU Policy 649 (Reduction in Force, Reorganization, and Elimination of Occupational Classifications) and does not require a declaration of a Financial Exigency.

IV. Definitions

Financial Exigency – The formal declaration that Tennessee Tech faces an imminent financial crisis, that there is a current or projected absence of sufficient funds for the campus as a whole to maintain its current programs and activities at a level sufficient to fulfill its educational goals and priorities, and that the budget can only be balanced by extraordinary means, which include the termination of existing and continuing academic and non-academic appointments.

V. Policy

- A. Prior to any faculty reduction-in-force or program elimination, Tennessee Tech must declare a Financial Exigency from an imminent fiscal crisis.
- B. The President must assess all documentation and procedures and take immediate steps to reduce expenditure levels prior to requesting a declaration of a Financial Exigency to the Board.
- C. If taking immediate steps to reduce expenditures does not result in an appropriate resolution, the President shall share all pertinent information with the entire faculty or its representative body and with representatives of other campus personnel to allow open discussions and advice from those bodies.

- D. After a reasonable period for discussion and review of the advice from the various constituencies and if the President remains convinced that a declaration of Financial Exigency is appropriate, he/she will present a recommendation(s) to alleviate the Financial Exigency to the Board for review and approval.
- E. Only the Board can declare a Financial Exigency.
- F. If the Board declares a state of Financial Exigency, the President, in consultation with Planning and Finance and with the affected departments, shall propose a plan to allocate necessary funding reductions among the primary budgetary sub-units.

VI. Interpretation

The Associate Vice President for Human Resources or his/her designee has the final authority to interpret the terms of this policy.

VII. Citation of Authority for Policy

T.C.A. § 49-8-301(a)

Approved by:

Administrative Council: 2017-04-05

University Assembly: 2017-04-19

Board of Trustees:



Agenda Item Summary

Date: June 15, 2017

Division: Internal Audit

Agenda Item: Ratification of Director of Internal Audit

Review

Action

No action required

PRESENTERS: President Philip Oldham

PURPOSE & KEY POINTS:

Tennessee Code Annotated (TCA) § 49-14-102 requires each audit committee to employ a person qualified by training and experience to serve as chief internal auditor.

Deanna Metts, TTU Director of Internal Audit, currently serves as chief internal auditor for Tennessee Tech. She earned a Bachelor of Science in Accounting from the University of Tennessee Knoxville and a Master of Business Administration from TTU, holds a Tennessee Certified Public Accounting license, and has 38 years' experience in higher education internal auditing.



Agenda Item Summary

Date: June 15, 2017

Division: Internal Audit

Agenda Item: Adoption of Audit Committee Charter

Review

Action

No action required

PRESENTERS: Deanna Metts, Director of Internal Audit

PURPOSE & KEY POINTS:

Tennessee Code Annotated (TCA) § 4-35-101 through 108 (known as the State of Tennessee Audit Committee Act of 2005) requires each governing board create an audit committee and requires that audit committee create an audit charter.

The charter, as presented, encompasses the requirements of the TCA § 4-35-101 through 108, as well as the requirements outlined in the State Comptroller's Guidelines for Audit Committee Charters. This charter does not reflect any of the TTU Board of Trustees Audit & Business Committee responsibilities unrelated to Internal Audit. Once adopted by the Audit & Business Committee and approved by the TTU Board of Trustees, this charter will be submitted to the comptroller's office for approval in accordance with TCA § 4-35-103.

Tennessee Tech University

Audit Committee Charter

I. Purpose

The Audit & Business Committee (“Committee”), a standing committee of the Tennessee Tech Board, will operate in compliance with the “State of Tennessee Audit Committee Act of 2005” (Tennessee Code Annotated Title 4, Chapter 35) and will assist the Board in fulfilling its responsibilities by reporting regularly to the Board about Committee activities and issues that arise.

The Committee will provide oversight in the following areas:

- A. Audit engagements with the Tennessee Comptroller’s Office, including the integrity of financial statements and compliance with legal and regulatory requirements,
- B. Audit engagements with external auditors,
- C. Internal Audit activities,
- D. Internal Audit administration,
- E. Internal controls and compliance with laws, regulations, and other requirements,
- F. Risk and control assessments,
- G. Fraud, waste, and abuse prevention, detection, and reporting, and
- H. Other areas as directed by the Board.

II. Authority

The Committee has the authority to conduct or authorize audits or investigations into any matter within its scope of responsibility. The Committee is authorized to:

- A. Seek any information it requires from employees or external parties. Employees are directed to cooperate with the Committee’s requests,
- B. Have access to all books, records, and physical properties of Tennessee Tech,
- C. Meet with Board and institutional officials, external and internal auditors, legal counsel, or others as necessary, and
- D. Delegate authority to subcommittees, providing that such decisions by any subcommittee are presented to the full Committee at its next scheduled meeting.

III. Responsibilities

The Committee has responsibilities for the following:

- A. Tennessee Comptroller’s Office Audits (“State Auditors”)
 - 1. Understand the scope and approach used by the State Auditors in conducting their examinations,

2. Review results of the Comptroller's examinations of financial statements and any other matters related to the conduct of the audits,
3. Review with management and legal counsel any legal matters (including pending litigation) that may have a material impact on the financial statements, and any material reports or inquiries from regulatory or governmental agencies,
4. Ensure that the Comptroller is notified of any indications of fraud in the manner prescribed by the Comptroller,
5. Resolve any differences between management and the Comptroller's auditors regarding financial reporting, and
6. Meet, as needed, with the Comptroller's auditors to discuss any matters that the Committee or State Auditors deem appropriate.

B. External Audits

1. Understand the scope and approach used by the external auditors in conducting their examinations,
2. Review results of the external auditors' examinations and any other matters related to the conduct of the external audits, and
3. Meet, as needed, with the external auditors to discuss any matters that the Committee or external auditors deem appropriate.

C. Internal Audit Activities

1. Ensure that the Director of Internal Audit reports directly to the Committee and has direct and unrestricted access to the chair and other committee members,
2. Review and approve the charter for the Tennessee Tech's Internal Audit department,
3. Review and approve the annual audit plans for Tennessee Tech's Internal Audit department, including management's request for unplanned audits,
4. Receive and review significant results of internal audits performed,
5. Work with Tennessee Tech management and Internal Audit to assist with the resolution of cooperation issues and to ensure the implementation of audit recommendations,
6. Review the results of the year's work with the Director of Internal Audit, and
7. Ensure the Tennessee Tech Internal Audit function maintains a quality assurance and improvement program, including internal procedures and assessments and a periodic external quality assessment of conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

D. Internal Audit Administration

1. Ensure the Director of Internal Audit's administrative reporting relationship to the President is independent.
2. Ensure that Tennessee Tech Internal Audit has adequate resources in terms of staff and budget to effectively perform its responsibilities.

3. Review and approve the appointment, compensation, reassignment, or dismissal of the Director of Internal Audit, and
4. Review and approve the compensation and termination of campus internal auditors.

E. Risk, Internal Control and Compliance

1. Consider the effectiveness of the internal control system and compliance with laws and regulations, including computerized information system controls and security,
2. Review and evaluate risk assessments performed by institutional management and the Board, and
3. Inform the Comptroller of the Treasury of the results of risk assessments and controls completed by Tennessee Tech management.

F. Fraud

1. Ensure that the Board and the institution have an effective process in place to prevent, detect, and report fraud, waste and abuse.
2. Facilitate audit and investigative matters, including advising auditors and investigators of any pertinent information received by the Committee.

G. Other

1. Review and assess the adequacy of the Committee's charter every four years or as needed, whichever is earlier, requesting Board approval for any proposed changes.
2. Ensure there are procedures for the receipt, retention, and treatment of complaints about accounting, internal controls, or auditing matters.
3. Review Tennessee Tech's code of conduct and /or policies regarding employee conduct to ensure that they are easy to access, are widely distributed, are easy to understand and implement, include a confidential mechanism for reporting code violations, are enforced, and include a conflict of interest policy.
4. Review Tennessee Tech's conflict of interest policy to ensure that the term "conflict of interest" is clearly defined, the policy is comprehensive, annual signoff is required, and potential conflicts are adequately resolved and documented.

IV. Independence

Each member shall strictly adhere to Board Policy 001 (Code of Ethics and Conduct and Conflict of Interest).

V. Membership

- A. Pursuant to Tennessee Code Annotated Section 4-35-104, the Committee shall have at least three but not more than five members,

- B. The Committee and its chair shall be appointed annually from the Board membership by the Board pursuant to Board Policy 005 (Board Committees),
- C. Each Committee member shall serve for a term not to exceed two years and may be reappointed,
- D. The Committee chair shall serve for a term not to exceed two years and may be reappointed,
- E. The Committee chair preferably shall have accounting and financial management expertise, and
- F. The other members of the Committee shall be generally knowledgeable in financial, management, and auditing matters.

VI. Meetings

- A. The Committee shall meet as necessary, but at least annually, and also whenever requested by the chair of the Committee or Board or the Comptroller of the Treasury.
- B. The Committee may invite Board management, auditors, or others to attend and provide relevant information.
- C. The Board Secretary or designee shall take minutes at each meeting of the Committee and maintain approved minutes as the official record of such meeting.
- D. A majority of the members of the Committee shall constitute a quorum for the transaction of business.
- E. All meetings of the Committee shall adhere to the Open Meetings Act, Tennessee Code Annotated Title 8, Chapter 44, except that pursuant to Tennessee Code Annotated Section 4-35-108(b), the Committee may hold confidential, nonpublic executive sessions for the sole purpose of discussing the following:
 - 1. Items deemed not subject to public inspection under Tennessee Code Annotated, Sections 10-7-503 and 10-7-504, and all other matters designated as confidential or privileged under state or federal law,
 - 2. Litigation,
 - 3. Audits or investigations, and
 - 4. Matters involving information under Tennessee Code Annotated Section 4-35-107(a) where the informant has requested anonymity.

Approvals

Approved by: _____ Date: _____
Teresa Vanhooser
Chair of the Audit & Business Committee

Approved by: _____ Date: _____
Thomas Jones
Chairman of the Board



Agenda Item Summary

Date: June 15, 2017

Division: Internal Audit

Agenda Item: Approval of Internal Audit Charter

Review

Action

No action required

PRESENTERS: Deanna Metts, Director of Internal Audit

PURPOSE & KEY POINTS:

The Internal Audit Charter describes Internal Audit's purpose, authority and scope, responsibility and role, organizational reporting structure, and the standards adhered to in the department.

Per Tennessee Code Annotated (TCA) § 4-3-304(9), Internal Audit must follow the Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors (IIA). The IIA standards require Internal Audit have a charter that addresses the purpose, authority, and responsibility of the internal audit activity.

The Chair of the Audit Committee and the Director of Internal Audit must sign the charter.

Tennessee Tech University

Internal Audit Charter

Purpose

Tennessee Tech Internal Audit is an independent objective assurance and consulting activity designed to add value and improve Tennessee Tech University management systems. Internal Audit helps Tennessee Tech University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit assists Tennessee Tech University's management in the effective discharge of their duties and responsibilities by evaluating activities, recommending improvements and providing other information designed to promote effective controls.

Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system, or other subject matter. The nature and scope of the assurance engagement are determined by the internal auditor. There are generally three parties involved in assurance services: (1) the person or group directly involved with the entity, operation, function, process, system, or other subject matter – the process owner, (2) the person or group making the assessment – the internal auditor, and (3) the person or group using the assessment – the user.

Consulting services are advisory in nature, and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client. Consulting services generally involve two parties: (1) the person or group offering the advice – the internal auditor, and (2) the person or group seeking and receiving the advice – the engagement client. When performing consulting services the internal auditor should maintain objectivity and not assume management responsibility.

Tennessee Tech University's management has the primary responsibility for establishing and maintaining a sufficient system of internal controls.

Authority and Scope

Internal Audit's review of operations may include the examination and evaluation of the effectiveness of all aspects of institutional operations at Tennessee Tech University. In the course of its work, Internal Audit has full and complete direct access to all Tennessee Tech University books, electronic and manual records, physical properties, and personnel information relative to the performance of duties and responsibilities. All documents and information given to Internal Audit

during their work will be handled in the same prudent manner that Tennessee Tech University expects of the employees normally accountable for them.

Internal Audit has neither direct responsibility for, nor authority over, any of the activities, functions, or tasks it reviews nor shall their review relieve others of their responsibilities. The internal auditors must maintain a high degree of independence and not be assigned duties or engage in any operations or decision making in any activities that they would normally be expected to review or evaluate as part of the normal audit function.

Responsibility and Role

The role of Internal Audit is to assist members of the organization in the effective discharge of their responsibilities. Meaningful internal auditing requires cooperation among Internal Audit, Tennessee Tech University's administration, and the department under audit. In fulfilling their responsibilities, Internal Audit will:

- Comply with auditing standards established by the Institute of Internal Auditors to ensure the effectiveness and quality of the internal audit effort.
- Develop and implement audit plans and programs that respond to both risk and cost effectiveness criteria.
- Review the reliability and integrity of information, and the information technology processes that produce that information.
- Verify compliance with applicable policies, guidelines, laws, and regulations.
- Suggest policies and procedures or improvements to existing policies and procedures where appropriate.
- Provide audit reports that identify internal control issues and make cost-effective recommendations to strengthen control.
- Facilitate the resolution of audit issues with administrators who have the most direct involvement and accountability.
- Review institutional operations (financial and other) on an advisory basis to inform and assist management in the successful execution of their duties.
- Assist with audits or perform certain agreed upon procedures for external parties. External parties include but are not limited to audit offices of federal and state governments and related agencies.
- Review management's risk assessment process and advise management on the reasonableness and propriety of the assessment.
- Promote and evaluate fraud prevention and identification programs and investigate allegations involving fraud, waste, and abuse.
- Demonstrate and promote appropriate ethics and values within the organization.

- Communicate activities and information among the board, internal auditors, external auditors and the administration.

Organizational Status/Reporting Structure

The Tennessee Tech Director of Internal Audit reports directly to the Tennessee Tech Audit Committee and is administratively attached to the President’s office. The budget for Internal Audit is approved by the Tennessee Tech Audit Committee.

Audit Standards and Ethics

The Internal Audit function adheres to The Institute of Internal Auditors’ mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, the Core Principles for the Professional Practice of Internal Auditing, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity’s performance.

Periodic Review of Internal Audit Charter

This charter will be periodically assessed by the Tennessee Tech Director of Internal Audit to determine whether the purpose, authority, and responsibilities defined in this charter are adequate to enable the internal auditing activity to accomplish its objectives. The results of the periodic assessment will be communicated to senior management and the Tennessee Tech Audit Committee.

Approvals

Approved by: _____ Date: _____
Teresa Vanhooser
Chair of the Audit & Business Committee

Approved by: _____ Date: _____
Deanna Metts
Director of Internal Audit



Agenda Item Summary

Date: June 15, 2017

Division: Internal Audit

Agenda Item: Approval of Policy 130–Internal Audit

Review

Action

No action required

PRESENTERS: Deanna Metts, Director of Internal Audit

PURPOSE & KEY POINTS:

Policy 130 addresses Internal Audit’s personnel, general responsibilities, planning, and reporting.

The Administrative Council and University Assembly have already approved this policy.

**Tennessee Technological University
Policy No. 130**



Effective Date: July 1, 2017

Policy No.: 130

Policy Name: Internal Audit

Policy Subject: Internal Auditing

Date Revised:

I. Purpose

This policy addresses staffing, responsibilities of the internal audit function, audit planning, and reporting on Tennessee Tech Internal Audit activities.

II. Review

This policy will be reviewed every four years or whenever circumstances require review, whichever is earlier, by the Tennessee Tech Director of Internal Audit, with recommendations for revision presented to the Audit & Business Committee and the Board of Trustees.

III. Definitions

- A. Internal Auditing - an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- B. Risk - the possibility of an event occurring that will have an impact on the achievement of an institution's goals and objectives.
 - 1. Risk is measured in terms of the impact an event may have and the likelihood that the event will occur.
 - 2. To optimize the achievement of the institution's goals and objectives, the Board and management act to minimize the related risks by implementing reasonable procedures to control and monitor the risks.
- C. Governance processes - the combination of processes and structures implemented by the Board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives. Examples of such processes include:
 - 1. The organizational structure within an institution or a department;
 - 2. Policies, guidelines, and procedures instituted by the Board or management to direct and control a particular activity such as maintenance fees or hiring practices; and
 - 3. Preparation and review procedures for preparing reports such as annual financial statements or federal grant or financial aid reports.

IV. Policy

- A. General Statement
 - 1. Internal Audit contributes to the improvement of Tennessee Tech's operations by providing objective and relevant assurance regarding risk management, control, and governance processes to management and the Board.
 - 2. Management is responsible for identifying, evaluating, and responding to risks that may impact the achievement of the institutions objectives and establishing and maintaining adequate controls and processes.
 - 3. To provide relevant information, Internal Audit will consider Tennessee Tech's goals, management's risk assessments, and other input from management in determining its risk-based audit activities.

- B. Pursuant to Tennessee Code Annotated § 4-3-304(9), Internal Audit shall adhere to The Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing, the IIA Code of Ethics, and the IIA Core Principles for the Professional Practice of Internal Auditing.

- C. To assure compliance with the IIA Standards, Internal Audit must implement and maintain a quality assurance and improvement program that incorporates both internal and external review activities.
 - 1. Internal reviews must include both ongoing and periodic review activities.
 - 2. External reviews must be performed at least every five years by a qualified, independent reviewer.
 - 3. Results of quality assurance reviews will be communicated to the Board Audit Committee and management.

- D. Internal Audit Personnel
 - 1. Internal Audit's staff must possess the professional credentials, knowledge, skills, and other competencies needed to perform their individual responsibilities.
 - 2. The Internal Audit function collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.
 - 3. The Internal Audit Director 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.
 - 4. Other internal auditors should annually complete sufficient, relevant continuing professional education to satisfy the requirements for their related professional certification or, in the absence of professional

certification requirements, forty hours of relevant continuing professional education.

5. Pursuant to Tennessee Code Annotated § 49-14-102, the President shall recommend the appointment of the Internal Audit Director subject to approval by the Board Audit Committee.
6. Compensation of the Internal Auditors is subject to review by the Board Audit Committee.
7. Pursuant to Tennessee Code Annotated § 49-14-102, the Board may remove the Director of Internal Audit only for cause and by a majority vote.

E. Internal Audit Role and Scope

1. The Director of Internal Audit reports to the Board Audit Committee and is administratively attached to the President's Office.
2. The Internal Auditors' responsibilities include, but are not limited to:
 - 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. Evaluating program performance;
 - h. Performing consulting services and special requests as directed by the Board Audit Committee or the President; and
 - i. Investigating allegations of fraud, waste, and abuse.
3. The scope of internal auditing extends to all aspects of institutional operations and beyond fiscal boundaries. The Internal Auditors 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. Internal Audit personnel are not responsible for 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. To facilitate these responsibilities, Internal Audit will receive notices or copies of external audit reviews, program reviews, fiscally-related consulting reports, cash shortages, physical property losses, and employee misconduct involving fraud, waste, or abuse.
- F. Management is responsible for identifying, evaluating, and responding to potential risks that may impact the achievement of the institution's objectives.
- G. Audit Plans and Activity Reports
1. Each year, after consultation with the President and other institution management, Internal Audit will prepare an annual audit plan.
 2. Audit plans will be reviewed and approved by the Board Audit Committee.
 3. Each year, Internal Audit will send an annual activity report of all significant audit services performed to the Board Audit Committee.
 4. Annual activity reports and approved audit plans will be provided to the Comptroller's Office, Division of State Audit.
- H. Pursuant to Tennessee Code Annotated § 4-3-304(9), working papers that are created, obtained or compiled by an internal audit staff are confidential and are not an open record.
- I. Communicating Results of Audits and Investigations
1. Internal Audit will provide a written report of each audit and investigation of bona fide fraud, waste, and abuse events to the Board Audit Committee, management, and the Comptroller's Office, Division of State Audit.
 2. Internal Audit will communicate the results of follow-ups to findings or recommendations included in internal audit reports, investigation reports, and State Audit reports to the Board Audit Committee.
 3. In a case where allegations are of concern to management but do not constitute fraud, waste, or abuse or are de minimis in nature, Internal Audit will refer the case to management, and the case will not result in a written report.
 4. In a case where allegations are not substantiated by the review and there are no other operational concerns to report to management regarding the review, Internal Audit may close the case by writing a memo to the working paper file documenting the reason for closing the case.
 5. Internal Audit will provide reports on special studies, consulting services, and other non-routine items to the Board Audit Committee as appropriate, given the nature of the assignment.

6. The Internal Audit Director will sign all audit reports and transmit them directly to the President in a timely manner.
7. The Internal Audit Director will present significant results of internal audit reports to the Board Audit Committee as required by the Board Audit Committee.

V. Interpretation

The Board Audit Committee, or its designee, shall have final authority to interpret the terms of this policy.

VI. Citation of Authority

T.C.A. § 4-3-304(9); T.C.A. § 49-14-101 et seq.

Approved by:

Administrative Council: September 7, 2016

University Assembly: November 16, 2016



Agenda Item Summary

Date: June 15, 2017

Division: Internal Audit

Agenda Item: Approval of Policy 131–Preventing Fraud, Waste, or Abuse

Review

Action

No action required

PRESENTERS: Deanna Metts, Director of Internal Audit

PURPOSE & KEY POINTS:

Policy 131 provides examples of fraud, waste, and abuse and states various stakeholders' responsibility related to preventing, reporting, and investigating fraud, waste, or abuse. This policy also spells out the methods available to report fraud, waste, and abuse, addresses the confidentiality of the information received in those reports, and fulfills the requirement in Tennessee Code Annotated (TCA) § 49-14-103 that the institution's internal audit establish a process by which students, employees, taxpayers, or their citizens may confidentially report suspected illegal, improper, wasteful, or fraudulent activity.

The Administrative Council and University Assembly have already approved this policy.

**Tennessee Technological University
Policy No. 131**

The seal of Tennessee Technological University is a circular emblem. It features a central shield with a lamp of knowledge on top and an open book below. The shield is set against a background of a gear and a plow. The words "TENNESSEE TECHNOLOGICAL UNIVERSITY" are written around the perimeter of the seal, and the year "1915" is at the bottom.

**Preventing and
Reporting Fraud,
Waste, or Abuse**

Effective Date: July 1, 2017

Policy No.: 131

Policy Name: Preventing and Reporting Fraud, Waste, or Abuse

Policy Subject: Defining, preventing, reporting, and investigating fraud, waste, or abuse

Date Revised:

I. Purpose

The purpose of this policy is to define fraud, waste, and abuse and describe the procedures related to reporting and investigating fraud, waste, and abuse.

II. Review

The Director of Internal Audit will review this policy every four years or whenever circumstances require a review, whichever is earlier, and make recommendations for revision to the Audit & Business Committee and the Board of Trustees.

III. Definitions

- A. Fraud – An intentional deception or attempt to deceive that violates a law or the public trust to obtain a financial or other benefit or to avoid an obligation.
- B. Waste – Behavior involving the extravagant, careless, or needless use of government funds, property, and/or personnel. Waste results in the expenditure, consumption, mismanagement, use, or squandering of institutional assets or resources to the detriment or potential detriment of the institution. Waste may also result from incurring unnecessary expenses due to inefficient or ineffective practices, systems, or controls. Waste does not necessarily involve Fraud, violation of laws, regulations, or provisions of a contract or grant agreement.
- C. Abuse – Behavior involving the use of government funds or property that a prudent person would not consider reasonable and necessary business practice given the facts and circumstances. Abuse includes misuse of authority or position for personal financial interest or those of an immediate or close family member or business associate. Abuse does not necessarily involve Fraud, violation of laws, regulations, or provisions of a contract or grant agreement. (U.S. Government Accountability Office, Government Auditing Standards, December 2011.)

Examples of Fraud, Waste, and Abuse include, but are not limited to:

1. Theft, misappropriation, misapplication, destruction, removal, or concealment of any institutional assets or resources, including but not limited to funds, securities, supplies, equipment, real property, intellectual property, or data,
2. Improper use or assignment of any institutional assets or resources, including but not limited to personnel, services, or property,

3. Improper handling or reporting of financial transactions, including use, acquisitions, and divestiture of state property, both real and personal,
 4. Authorization or receipt of compensation for hours not worked,
 5. Use, alteration, or manipulation of data, computer files, equipment, software, networks, or systems, including hacking, software piracy, or similar acts in violation of Tennessee Tech University Policy 801,
 6. Forgery or unauthorized alteration of documents,
 7. Falsification of reports to management or external agencies,
 8. Pursuit of a personal benefit or advantage in violation of Tennessee Tech Policy 132,
 9. Acceptance of bribes, kickbacks, or any gift, rebate, money, or anything of value, or any promise, obligation, or contract for future reward, compensation, property, or item of value, including intellectual property, except as exempted in Tennessee Tech Policy 132 or state statutes, including, but not limited to, § T.C.A. 3-6-305,
 10. Employees making significant use of Tennessee Tech facilities, equipment, materials, or other resources, not otherwise available to the public, in the course of activities that are not related to Tennessee Tech, without prior disclosure and approval of their direct supervisor and the Business Office, and
 11. Faculty or administrators' use of Tennessee Tech students or support staff for personal or non-Tennessee Tech related tasks that are more than incidental or de minimis in nature while the student or support staff is being paid by Tennessee Tech University.
- D. Executive Administrator – Employees in administration who report directly to the President or are included in the EEO Code 100 classification as well as other select positions. This includes, the President, Assistant to the President, Provost, Associate Provosts, Deans, University Counsel, Vice-Presidents, Associate Vice Presidents, Assistant Vice Presidents, Compliance Officer, and Directors of Athletics, Institutional Research, Internal Audit, Purchasing, Affirmative Action, and the Cookeville Higher Education Campus.
- E. Internal Control - Processes performed by management and employees to provide reasonable assurance of:
1. Safeguards over institutional assets and resources, including, but not limited to, cash, securities, supplies, equipment, property, records, data, or electronic systems,
 2. Effective and efficient operations,
 3. Reliable financial and other types of reports, and
 4. Compliance with laws, regulations, contracts, grants, and policies.

Typical examples of Internal Controls may include, but are not limited to:

1. Adequate separation of duties among employees,
2. Sufficient physical safeguards over cash, supplies, equipment, and other resources,
3. Appropriate documentation of transactions,
4. Independent validation of transactions for accuracy and completeness,
5. Documented supervisory review and approval of transactions or other activities, and
6. Proper supervision of employees, processes, projects, or other operational functions.

IV. Policy

- A. Prevention and Detection of Fraud, Waste, or Abuse
 1. Tennessee Tech is committed to the responsible stewardship of public resources and endeavors to maintain a work environment that promotes honest and ethical behavior.
 2. No employee shall engage in Fraud, Waste, or Abuse.
 3. Each department is responsible for the prevention and detection of Fraud, Waste, and Abuse and must develop and follow Internal Controls for its prevention and detection.
 4. Internal Audit, the Tennessee Comptroller of the Treasury (State Audit), and other federal, state, or outside agencies may perform audit procedures to detect or make recommendations to prevent Fraud, Waste, or Abuse.
- B. Responsibility for Reporting Fraud, Waste, or Abuse
 1. Tennessee Tech Executive Administrators with a reasonable basis for believing that Fraud, Waste, or Abuse has occurred must report such incidents immediately. Failure to report may result in disciplinary action.
 2. Other employees with a reasonable basis for believing that Fraud, Waste, or Abuse has occurred are strongly encouraged to immediately report such incidents (T.C.A § 8-50-116).
 3. Students, citizens, and others are also encouraged to report known or suspected acts of Fraud, Waste, or Abuse.
 4. Proof of an improper activity is not required at the time the incident is reported.
 5. Employees who knowingly make false accusations may be subject to disciplinary action.
- C. Confidentiality of Reported Information
 1. During investigations, investigators will limit information sharing to a “need to know” basis.
 2. Pursuant to T.C.A § 49-14-103 (a), the following information is confidential and not subject to disclosure in a public records request;

- a. Detailed information received by the internal auditor about an on-going investigation,
 - b. The identities of persons communicating information in an investigation concerning allegations of Fraud, Waste, or Abuse, and
 - c. Working papers of the internal auditor created during an investigation.
 3. Although every attempt will be made to keep information confidential, circumstances such as a court order or subpoena may result in disclosure of individual identities and information.
 4. Because Tennessee Tech has a separate legal obligation to investigate certain complaints (e.g., complaints of illegal harassment or discrimination), Tennessee Tech cannot ensure anonymity or complete confidentiality in certain cases.
- D. Methods for Reporting Fraud, Waste, or Abuse.
 1. Employees, including supervisors, should not confront the suspected individual or initiate an investigation on their own since such actions could compromise the investigation.
 2. To report Fraud, Waste, or Abuse, employees, including supervisors, must report the matter as described below.
 3. Incidents of Fraud, Waste, or Abuse should be reported to one of the following:
 - a. A supervisor or department head,
 - b. An institutional executive (e.g. Dean, Associate Vice President, Vice President, President),
 - c. Tennessee Tech Internal Audit at 931-372-3045 or Tennessee Tech's Internal Audit Fraud, Waste, and Abuse online Report Form [here](#), or
 - d. The Tennessee Comptroller of the Treasury's hotline for Fraud, Waste, and Abuse at 800-232-5454 or online [here](#).
 4. If the incident involves the reporting employee's immediate supervisor, s/he should report the incident to the next highest-level supervisor or one of the executives or offices listed above.
 5. A department head, supervisor, or institutional executive who receives notice of known or suspected Fraud, Waste, or Abuse must immediately report the incident to Internal Audit or one of the following:
 - i. President,
 - ii. Vice President for Planning and Finance, or
 - iii. University Police,who will immediately notify Tennessee Tech Internal Audit.
 6. The Director of Internal Audit will notify the Tennessee Comptroller of the Treasury of instances of Fraud, Waste, or Abuse.

7. Management will evaluate the information provided and make a determination concerning any other external reporting obligations.
- E. **Cooperation of Employees**
Employees should assist with and cooperate in an investigation, and failure to cooperate may result in disciplinary action up to and including termination.
 - F. **Protection from Retaliation**
Tennessee Tech prohibits discrimination or retaliation against employees for reporting facts or allegations related to Fraud, Waste, or Abuse, or for cooperating with auditors conducting an investigation. Tennessee Tech will impose disciplinary actions, up to and including termination, on anyone who engages in retaliatory behavior.
 - G. **Disciplinary Actions**
Employees who engage in Fraud, Waste, or Abuse may be disciplined, up to and including termination, and may be subject to criminal prosecution.
 - H. **Cases Involving Gross Misconduct**
 1. If an employee suspected of gross misconduct resigns during the investigation, the employee's personnel file will reflect the situation as of the date of the resignation and the outcome of the investigation.
 2. 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 payment for accrued but unused annual leave at the time of dismissal.
 - I. **Referrals**
In a case where allegations are of concern to management but do not constitute Fraud, Waste, or Abuse, or are de minimis in nature, Internal Audit will refer the case to the appropriate office for pertinent action, if any.

V. Interpretation

The President or his/her designee has the final authority to interpret the terms of this policy.

VI. Citation of Authority

T.C.A. § 3-6-305; T.C.A. § 4-35-107; T.C.A. § 8-19-501; T.C.A. § 8-50-116; T.C.A. § 8-50-807; T.C.A. § 49-14-101 et seq.

Approved by:

Administrative Council: September 7, 2016

University Assembly: November 16, 2016

Pending



Agenda Item Summary

Date: June 15, 2017

Division: Internal Audit

Agenda Item: Approval of Policy 133–President’s Expenditures

Review

Action

No action required

PRESENTERS: Deanna Metts, Director of Internal Audit

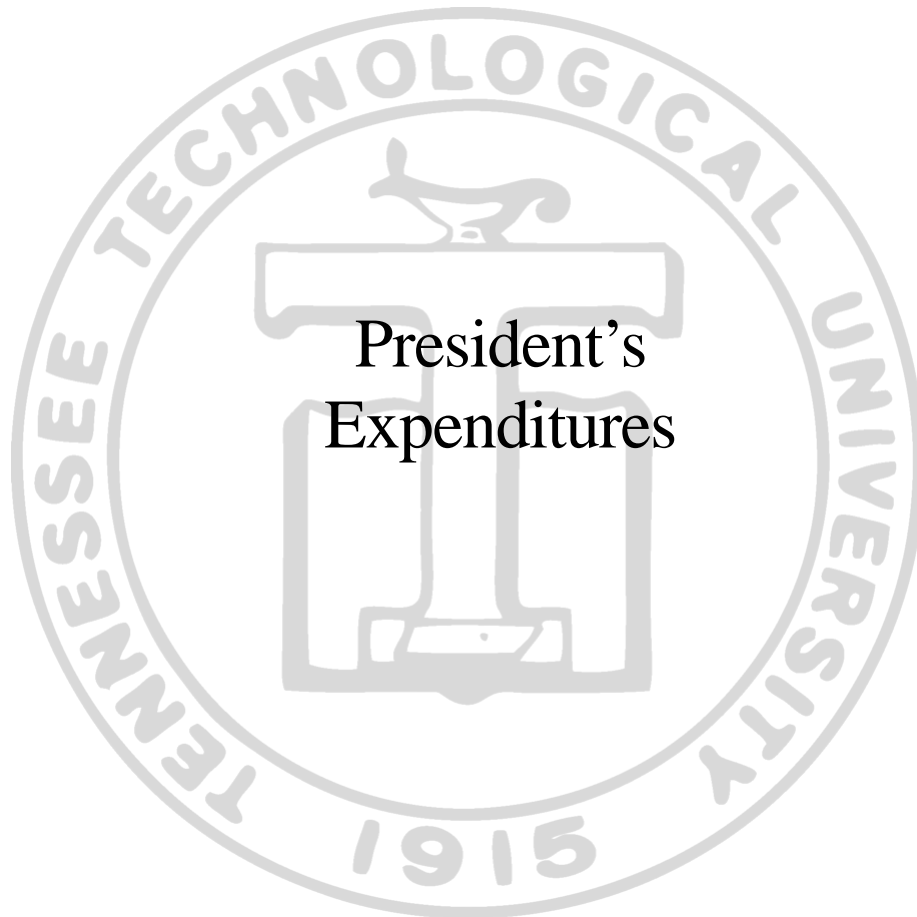
PURPOSE & KEY POINTS:

This policy describes the requirements of reporting the President’s expenditures as outlined in Tennessee Code Annotated (TCA) § 43-14-104 and TCA § 47-7-3001.

TCA § 49-14-104 requires that the governing boards of each institution establish a policy requiring annual reports of expenditures made by, at the direction of, or for the benefit of the chief executive of the institution.

This policy replaces the Tennessee Board of Regents (TBR) policy of the same name.

Tennessee Technological University Policy No. 133



President's Expenditures

Effective Date: July 1, 2017

Policy No. 133

Policy Name: President's Expenditures

Policy Subject: Requirements for reporting expenditures and limitations on spending authority

I. Purpose

The purpose of this policy is to describe requirements related to the reporting of expenditures by the President of Tennessee Tech ("President").

II. Review

This policy will be reviewed every four years or whenever circumstances require review, whichever is earlier, by the Director of Internal Audit, with recommendations for revision presented to the Board of Trustees.

III. Definition

Expenditure—any costs made by, at the direction of, or for the benefit of the President. Such costs include, but are not limited to, discretionary spending of unrestricted gifts, foundation funds, athletic funds, sponsorship fees, licenses and royalty fees, and other such funds not included in the operating budget for the President's office.

IV. Policy

- A.** On or before December 1 of each year, the Director of Internal Audit shall file a financial audit of the President's office and Expenditures with the Board.
- B.** The Board shall review the report at its next regular meeting.
- C.** The President shall not have authority to grant himself/herself an exception to fiscal, spending, or travel policies established by Tennessee Tech or by statute.

V. Interpretation

The Board Chair or his/her designee has the final authority to interpret the terms of this policy.

VI. Citation of Authority for Policy

TCA § 49-14-104; TCA § 49-7-3001

Approved by the Board of Trustees:



Agenda Item Summary

Date: June 15, 2017

Division: Internal Audit

Agenda Item: Policy 132–Conflict of Interest



Review



Action



No action required

PRESENTERS: Deanna Metts, Director of Internal Audit

PURPOSE & KEY POINTS:

This policy defines general conflict of interest principles, offers examples of potential conflicts of interest, describes conflict of interest disclosure requirements, describes the process used to evaluate and render decisions on potential conflicts of interest, and describes the appeals process regarding those decisions.

Per the Tennessee Comptroller’s Guidelines for Audit Committee Charters, the audit committee is charged with reviewing the Conflict of Interest Policy to ensure that the term “conflict of interest” is clearly defined, the policy is comprehensive, the policy requires annual sign-off, and potential conflicts are adequately resolved and documented.

Tennessee Technological University Policy No. 132



Effective Date: July 1, 2017

Policy No.: 132

Policy Name: Conflict of Interest

Policy Subject: Conflict of Interest

Effective Date: July 1, 2017

I. Purpose

All employees of Tennessee Tech serve the interests of the State of Tennessee and its citizens and have a duty to avoid activities and situations that, either actually or potentially, put personal interests before the professional obligations they owe to the State and its citizens. This policy is to 1) define the general principles that guide the actions of Tennessee Tech employees, 2) offer illustrations of activities that potentially constitute a Conflict of Interest, 3) make employees aware of disclosure requirements related to conflicts of interest, 4) describe the process by which those disclosures shall be evaluated and decisions rendered, and 5) describe the appeals process regarding such decisions.

II. Review

This policy will be reviewed every four years or whenever circumstances require review, whichever is earlier, by the Conflict of Interest Committee and the Audit & Committee as necessary, with recommendations for revision presented to the Administrative Council and University Assembly.

III. Scope

This policy applies to all persons employed by Tennessee Tech including full time, part-time, and temporary employees.

IV. Definitions

A. Conflict of Interest: when the personal interests, financial or otherwise, of a person who owes a duty to Tennessee Tech actually or potentially oppose with the person's professional obligations to and the best interests of Tennessee Tech. For the purposes of this policy, a Conflict of Interest with a vendor or contractor also creates a Conflict of Interest with any sub-vendor or sub-contractor of the vendor or contractor.

B. Family Member: a spouse or child, dependent or non-dependent, of a person covered by this policy.

V. Policy

A. This policy is intended to be consistent with all pertinent federal and state laws, regulations, and policies, as well as with other Tennessee Tech policies. To the extent that conflicts arise, federal and state laws, regulations, and policies shall take precedence. The regulations below are not intended to be exhaustive, and additional laws, regulations, and policies may be implicated in a given Conflict of Interest situation.

1. For information and guidance related to federally-funded research and applicable federal regulations, see Tennessee Tech Policy 735 Conflict of Interest in Research.
2. Other Federal agencies (e.g., the Veterans' Administration or the Food and Drug Administration) may require as a condition to a contract disclosure and management of conflicts of interest (see, for example, Veterans' Administration Acquisition Regulation 852.209-70).
3. Various statutes contained in the Tennessee Code Annotated (T.C.A.) are pertinent to the issues of conflicts of interest at Tennessee Tech, including but not limited to the statutes listed below. It is significant to note that violation of some of these statutes may lead to criminal penalties.
 - a. T.C.A. § 8-50-501, Disclosure statement of conflict of interests by the President of Tennessee Tech.
 - b. T.C.A. § 12-2-208, Purchase by officer unlawful – penalty for violation

“(a) (1) Except as provided in subsection (b), it is hereby declared unlawful for any state, city or county officer, employee or such officer's or employee's agent to buy or offer to buy any of the property to be sold hereunder except by bid at public auction during the tenure of such person's office or employment, or for six (6) months thereafter.

(2) Any such person violating or attempting to violate this subsection (a) or subsection (b) shall be dismissed and discharged from such person's respective job or position, and shall forfeit any pay or compensation which might be due such person. In addition thereto, any such sale is hereby expressly declared null and void, and such person shall, in addition, forfeit all right and title in the property.

(3) A violation of this section is a Class C misdemeanor.

(b) Notwithstanding subdivision (a)(1), it is declared unlawful for any state, city or county officer, employee or such officer's or employee's agent directly or indirectly involved in the confiscation of such property to buy or offer to buy any of the property to be sold hereunder. It is further declared unlawful for officers and employees designated by the procurement office, in accordance with applicable regulations of the procurement commission, to buy or offer to buy any of the property to be sold hereunder.”

- c. T.C.A. §§ 12-2-415—417, State surplus property disposition

§ 12-2-415: “All arrangements, contracts, agreements, trusts, or combinations between persons or corporations made with a view to lessen, or which tend to lessen, full and free competition in the disposal of state surplus personal property, under this part, and all arrangements, contracts, agreements, trusts or combinations between persons or corporations designed to, or which tend to, control the price, which the state receives for such property, or the cost to the purchaser of such property, are declared to be against public policy, unlawful, and void.”

§12-2-416: “A violation of § 12-2-415 is a Class E felony.”

§12-2-417: “A state employee who violates § 12-2-415 shall be punished by removal from employment in the state service and shall be prohibited from such employment for a period of five (5) years, in addition to the penalties provided in § 12-2-416.”

d. T.C.A. § 12-4-106, Prohibition against receiving rebates, gifts, money or anything of value – Conflict of interest

“(a) No officer or employee of the central procurement office, nor any member of the procurement commission, nor any head of any state department, institution or agency, nor any employee of any state department, institution or agency charged with the responsibility of initiating requisitions, shall accept or receive, directly or indirectly, from any person, firm or corporation to whom any contract for the purchase of goods or services for the state may be awarded, by rebate, gifts, or otherwise, any money or anything of value whatsoever, or any promise, obligation, or contract for future rewards or compensation.

(b)(1) It is a Conflict of Interest for any person or any company with whom such person is an officer, a director, or an equity owner having an ownership interest greater than one percent (1%) to bid on any public contract for goods or services for a governmental entity if such person or the immediate Family Member of such person is a member of a board or commission having responsibility for letting or approving such contract.

(2) As used in this subsection (b):

(A) "Governmental entity" means any state agency, authority, board, commission, department, or office within the executive, legislative or judicial branch of state government or any autonomous state agency, authority, board, commission, department, office, or institution of higher education; and\

(B) "Immediate family" means spouse, dependent children or stepchildren, or relatives related by blood or marriage.”

e. T.C.A. § 12-4-101—104 , Conflict of Interest

§ 12-4-101 (a)(1) “It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

(b) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility

district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county

§ 12-4-102: "Should any person, acting as such officer, committee member, director, or other person referred to in § 12-4-101, be or become directly or unlawfully indirectly interested in any such contract, such person shall forfeit all pay and compensation therefor. Such officer shall be dismissed from such office the officer then occupies, and be ineligible for the same or a similar position for ten (10) years."

T.C.A. § 12-4-103: "(a) It is hereby declared unlawful for any state official or employee to bid on, sell, or offer for sale, any merchandise, equipment or material, or similar commodity, to the state of Tennessee during the tenure of such official's or employee's office or employment, or for six (6) months thereafter, or to have any interest in the selling of the same to the state.

(b) A person violating subsection (a) shall be liable to the state for any and all sums paid out by the state, together with interest at the rate of eight percent (8%) per annum, growing out of any such transaction.

(c) A violation of subsection (a) is a Class E felony.

In addition, a state official's or employee's spouse may not bid on, sell, or offer for sale, any merchandise, equipment or material, or similar commodity, to the State of Tennessee during the tenure of such officer's or employee's office or employment, or for six (6) months thereafter, or to have any interest in the selling of the same to the state. TN AG Opinion 84-201. Pursuant to TBR Policy 1:02:03:10, Section VI.A.2, this prohibition also extends to "institutional purchases from businesses in which an employee or Family Member has a financial interest."

T.C.A. § 12-4-104

(a) It is an offense for a public employee or former public employee having official responsibility for procurement transactions to accept employment with any respondent to a solicitation or contractor with whom the employee or former employee dealt in an official capacity concerning procurement transactions for a period of one (1) year from the cessation of employment by the public body unless the employee or former employee provides written notification to the public body, or a public official if designated by the public body, or both, prior to commencement of employment by that respondent to a solicitation or a contractor.

(b) It is an offense for any person who, for compensation, prepares a solicitation for or on behalf of a public body to:

(1) Submit a response to a solicitation for that procurement or any portion thereof; or

(2) Disclose to any respondent to a solicitation information concerning the procurement that is not available to the public. A public body may permit such person to submit response to a solicitation for that procurement or any portion thereof if the public body determines that the exclusion of the person would limit the number of potential qualified respondents to a solicitation in a manner contrary to the best interest of the public body.

(c)(1) It is an offense for a contractor or subcontractor to demand or receive from any of the contractor's or subcontractor's suppliers or for a contractor to demand or receive from the contractor's subcontractors, as an inducement for the award of a subcontract or order, any payment, loan, subscription, advance, deposit of money, services or anything, present or promised, unless consideration of substantially equal or greater value is exchanged.

(2) It is an offense for a subcontractor or supplier to make or offer to make any payment, loan, subscription, advance, deposit of money, services or anything, present or promised, unless consideration of substantially equal or greater value is exchanged.

(3) It is an offense for any person to demand or receive any payment, loan, subscription, advance, deposit of money, services or anything of value in return for an agreement not to compete on a public contract.

(4) If a contractor, subcontractor, supplier or any person violates any provision of this subsection (c), the amount thereof shall be conclusively presumed to have been included in the price of the contract, subcontract or order and ultimately borne by the public body and shall be recoverable from both the maker and recipient. Recovery from one (1) offending party shall not preclude recovery from other offending parties.

(d)(1) A contract entered into in violation of this section on or after October 1, 2011, is void. A contract that is otherwise void under this section may continue in effect until an alternative can be arranged when:

(A) Immediate termination would result in harm to the public health or welfare; and

(B) The continuation is approved by the commission.

(2) Approval of continuation of contracts under this subsection (d) shall be given for the minimum period necessary to protect the public health or welfare. The chief procurement officer and the comptroller of the treasury shall be notified immediately upon a determination that a contract violates this subsection (d).

(e)(1) As used in this section, the term "public officer" means an individual who is elected or appointed to serve or represent a public agency, other than an employee or independent contractor of a public agency.

(2) A public officer or employee is involved in administering a contract if the officer or employee oversees the performance of the contract or has authority to make decisions regarding the contract or to interpret the contract.

(3) A public officer or employee is involved in making a contract if such officer or employee participates in the development of specifications or terms or in the preparation

or award of the contract. A public officer is also involved in making a contract if the board, commission, or other body of which such officer is a member takes action on the contract, whether or not the public officer actually participates in that action, unless the contract is approved under an exception to this section under which the public officer is allowed to benefit and is prohibited from voting.

(4) A public officer or employee derives a direct benefit from a contract if the person or the person's spouse:

(A) Has more than a ten-percent ownership or other interest in an entity that is a party to the contract;

(B) Derives any income or commission directly from the contract; or

(C) Acquires property under the contract.

(f) A public officer or employee is not involved in making or administering a contract solely because of the performance of ministerial duties related to the contract.

(g) A violation of this section is a Class A misdemeanor.

4. The following non-exclusive list of policies and procedures deal with issues that implicate Conflict of Interest situations:

- a. Policies and procedures related to purchasing
- b. Policies and procedures related to disposition of state property
- c. Policies and procedures related to outside employment
- d. Policies and procedures related to textbooks
- e. Tennessee Tech Policy 134 (Student Financial Aid)
- f. Tennessee Tech Policy 732 (Intellectual Property)
- g. Tennessee Tech Policy 685 (Nepotism)
- h. Tennessee Tech Policy 686 (Consensual Relationships)
- i. Tennessee Tech Policy 735 (Conflict of Interest in Research)
- j. Tennessee Tech 970 (Amorous Relationships (Athletics))

B. General Principles

1. Employees should avoid situations where the self-interests of the employee diverge from the best interests of Tennessee Tech.

2. Employees should avoid external commitments that significantly interfere with the employee's duties to Tennessee Tech. See Tennessee Tech Policy XXX (Outside Employment). Disclosures of conflicts of commitment shall be made and evaluated as required in Tennessee Tech's policy.
 3. The mere existence of either a potential or actual Conflict of Interest does not mean that such conflict must necessarily be eliminated. Where the potential detriment to Tennessee Tech is at most minor and inconsequential as determined by the Conflict of Interest Committee, and the conflict does not indicate violation of federal or state law, regulation, or policy, those persons charged with evaluating disclosures should allow the activity to proceed without interference. For those situations that do not implicate federal law, state law, regulations, or policy, the standard by which the Conflict of Interest Committee will determine whether a Conflict of Interest should be managed, reduced, or eliminated is whether that conflict would appear to a reasonable person to call into question the integrity or judgment of the affected employee.
- C. In the following situations and activities, there is at least the appearance, and possibly the actuality, of an employee allowing his/her personal interests, and not the best interests of Tennessee Tech, to affect that employee's judgments. This list is illustrative rather than exhaustive.
1. Situations in which an employee can appear to influence or actually influence an institutionally-related decision from which that person or a member of that person's family stands to realize a personal financial benefit is self-dealing, and a conflict of interest. Examples of self-dealing activities are numerous, and include those listed below.
 - a. Purchase of state-owned property by an employee absent fair and open bidding (T.C.A. § 12-2-208 and T.C.A. § 12-2-417)
 - b. Institutional purchases from businesses in which an employee or Family Member has a financial interest (T.C.A. § 12-4-103)
 - c. Certain bids on state contracts (T.C.A. § 12-3-106(b))
 - d. Use of educational materials from which a faculty member derives financial benefit in that faculty member's teaching activities. Any faculty member who wishes to use in his/her teaching activities educational materials (e.g. a textbook) that he/she has authored, or in which he/she otherwise stands to benefit financially from such use, shall make a conflict of interest disclosure to the faculty member's chair. Whether the use of such materials shall be permitted shall be evaluated by the chair of the department or designee, including, but not limited to, the department textbook committee. Such evaluation shall include consideration of suitable substitute materials and shall ensure that the needs of students are best served by use of the materials in which the faculty member has an interest. The chair of each department shall send a report annually to the Conflict of Interest Committee.
 2. Acceptance of gifts, gratuities, or favors

- a.** No employee shall knowingly solicit or accept, directly or indirectly, on behalf of himself/herself or any member of the employee's household, for personal use or consumption, any gift, including, but not limited to, any gratuity, service, favor, food, entertainment, lodging, transportation, loan, loan guarantee, or any other thing of monetary value, from any person or entity that:
 - i.** Has, or is seeking to obtain, contractual or other business or financial relations with the institution in which the individual is employed; or
 - ii.** Has interests that may be substantially affected by the performance or nonperformance of the employee.
- b.** Exceptions

The prohibition on accepting gifts in this section does not apply to:

- i.** A gift given by a member of the employee's immediate family, or by an individual if the gift is given for a non-business purpose and is motivated by a close personal friendship and not by the position of the employee;
- ii.** Informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication.
- iii.** Sample merchandise, promotional items, and appreciation tokens, if they are routinely given to customers, suppliers or potential customers, or suppliers in the ordinary course of business, including items distributed at tradeshow and professional meetings where vendors display and promote their services and products;
- iv.** Food, refreshments, foodstuffs, entertainment, or beverages provided as part of a meal or other event, including tradeshow and professional meetings, if the value of such items does not exceed fifty dollars (\$50.00) per occasion; provided further, that the value of a gift made pursuant to this subsection may not be reduced below the monetary limit by dividing the cost of the gift among two or more persons or entities identified in Section V.C.2;
- v.** There may be circumstances where refusal or reimbursement of a gift (such as a lunch or dinner) may be awkward and contrary to the larger interests of the institution. In such circumstances, the employee is to use his/her best judgment, and disclose the gift including a description, estimated value, the person or entity providing the gift, and any explanation necessary within 14 days to his/her immediate supervisor;
- vi.** Food, refreshments, meals, foodstuffs, entertainment, beverages, or intrastate travel expenses that are provided in connection with an event where the employee is a speaker or part of a panel discussion at a scheduled meeting of an established or recognized membership organization which has regular meetings;

- vii.** Participation in institution or foundation fundraising and public relations activities, i.e. golf tournaments and banquets, where persons or entities identified in Section V.C.2 provide sponsorships; and
 - viii.** Loans from established financial institutions made in the ordinary course of business on usual and customary terms, so long as there are no guarantees or collateral provided by any person identified in Section V.C.2.
- 3.** Employees shall ensure that the activities of students or support staff are not exploited for the benefit of any external activity of the faculty member or administrator.
 - a.** Prior to assigning any such non-Tennessee Tech related task or a task not directly related to the employee's job duties (which is more than incidental or de minimis in nature) to a student or member of the support staff, an employee shall disclose such proposed activities and obtain approval through his/her supervisor and Human Resources.
 - b.** Under no circumstances shall students and support staff be used to perform personal activities for the faculty or administrators while the student's or support staff's time is being paid by the university.
 - 4.** Employees may not make significant use of state or Tennessee Tech facilities, equipment, materials, or other resources, not otherwise available to the public, in the course of activities that are not related to Tennessee Tech without prior disclosure and approval of their direct supervisor and the Business Office. Employees making more than incidental or de minimis use of Tennessee Tech owned resources must reimburse Tennessee Tech for such use at a fair market rental rate to be established by the Business Office at the time of the request or discovery of such use.
 - 5.** Tennessee Tech Policy 732 governs the rights and responsibilities which persons affiliated with Tennessee Tech have regarding intellectual property developed during the term of their affiliation with Tennessee Tech. Among the responsibilities enumerated in the policy is that of disclosure of inventions and those copyrightable works that may be reasonably expected to have commercial value that they have jointly or solely developed or created during their affiliation with Tennessee Tech.

VI. Disclosure Requirements

- A.** Unless a different procedure is specified by state statute, Tennessee Tech policy, or in this policy:
 - 1.** New employees must read this policy and sign an acknowledgement of receipt, which shall be maintained in the employee's personal file.
 - 2.** Employees must make a written disclosure of the facts and circumstances surrounding a situation that might involve a conflict of interest to the Conflict of

Interest Committee. An electronic version of the Tennessee Tech [132 Conflict of Interest Disclosure Form](#) must be submitted via the submitter's Tennessee Tech-issued email to the Conflict of Interest Committee Coordinator, and will constitute an authenticated document.

3. All employees will annually receive a Financial Interest Disclosure form to submit by the prescribed deadline if they are or believe they might be in a conflict of interest position.
 4. At any time throughout the year, if any employee feels that a potential conflict of interest has developed since the annual reporting time, the employee is responsible for completing and submitting the Financial Interest Disclosure form to the Conflict of Interest Committee Coordinator.
 5. The Conflict of Interest Committee will forward disclosures to the appropriate supervising administrator.
- B.** Investigators seeking federal funding must make written disclosures as indicated in Tennessee Tech Policy 735 (Conflict of Interest in Research) and related procedures. Disclosure of financial interests made pursuant to Tennessee Tech Policy 735 and related procedures notwithstanding, such disclosure does not eliminate the responsibility for making disclosures under this provision, when specific conflict of interest situations arise.
- C.** Special disclosure requirements for certain Athletics employees
1. Coaches, assistant coaches, and employees of athletic departments who are exempt from the provisions of the Fair Labor Standards Act are required to file a financial disclosure form within one month of their initial appointment and annually thereafter in January. Disclosure of financial interests made pursuant to this provision notwithstanding, such disclosure does not eliminate the responsibility for making disclosures under Section VI when specific conflict of interest situations arise.
 2. Disclosures from coaches, assistant coaches, and exempt employees of athletic departments shall be made using a Tennessee Ethics Commission Form [SS-8005](#), and submitted to Director of Athletics by the date prescribed by the Director.
 3. The Director of Athletics or designee will forward all athletic personnel disclosure forms to the Conflict of Interest Committee by the date specified by the committee.
- D.** Special disclosure requirements for the President
1. The President is required to file a financial disclosure form within one month of his/her initial appointment and annually thereafter in January.

2. The President's [disclosure](#) shall be in the form prescribed by and submitted as directed by the Tennessee Ethics Commission.
3. Disclosure of financial interests made pursuant to this provision notwithstanding, such disclosure does not eliminate the responsibility for making disclosures under Section VI, when specific conflict of interest situations arise. In such cases, the President must make an appropriate disclosure to the Board.
4. Presidents Emeriti must submit any potential conflict of interest to the University Counsel.

VII. Review of Disclosures

- A. The President's disclosure made under Section VI of this policy shall be evaluated by the Board or a duly appointed committee thereof.
- B. Employees' disclosures made under Section VI of this policy shall be evaluated by Tennessee Tech's Conflict of Interest Committee.

VIII. Conflict of Interest Committee

- A. The Conflict of Interest Committee shall be appointed by the President and composed of the individuals filling the following positions:
 1. Vice President for Finance and Planning
 2. Director of Compliance in Athletics
 3. Immediate Past President of Faculty Senate
 4. Coordinator of Special Projects/Office of the President
 5. Manager, Payroll and Benefits
 6. Director of Internal Audit (ex officio role)
- B. The Committee may, by a majority vote, select a Chairperson of the Committee ("Chair").
- C. The Committee appointments will continue as long as the positions identified in Section VIII are filled or until the President desires to make a change to the committee composition. If one of the designated positions is reclassified or re-titled, the person filling the position for which the responsibilities are most similar

to those currently comprising said position will assume the duty of serving on the committee.

- D.** The Committee will meet at least once per Spring semester, generally in February. The Chair may call additional meetings as needed to conduct Committee business.
- E.** Consistent with this policy, the Committee shall evaluate conflict of interest disclosures, determine whether a conflict of interest exists, and advise on what actions may be required to manage, reduce, or eliminate an employee's conflict of interest, and notify the employee in writing of its decision.
- F.** If the Committee determines that an employee has a conflict of interest, that employee shall receive notice of the Committee's evaluation and be given an opportunity to appear before that Committee before the Committee forwards its decision to the President.
- G.** Any disclosure that indicates an actual violation of law shall be forwarded to the President along with the Committee's findings.
- H.** Unless modified by the President in writing or successfully appealed by the employee, the Committee's decision shall be final.

IX. Appeals

- A.** An employee may file an appeal with the President within 10 business days, absent good cause, of receipt of the Committee's decision.
- B.** The President shall notify the employee in writing of his/her decision within 10 business days, absent good cause.
- C.** The President's decision shall be final and binding.

X. Sanctions

- A.** Failure to follow any law or Tennessee Tech policy relating to Conflicts of Interest, including failure to observe restrictions imposed as a result of review of a Conflict of Interest disclosure or a knowing failure to disclose a conflict of interest, may result in disciplinary action, including but not limited to termination.
- B.** The Committee will refer violations as appropriate to the employee's unit and the Associate Vice President for Human Resources for appropriate action, if any.

XI. Interpretation

The President or his/her designee has the final authority to interpret the terms of this policy.

XII. Citation of Authority for Policy

T.C.A. § 8-50-501; T.C.A. § 12-02-208; T.C.A. § 12-02-415 et seq.; T.C.A. § 12-4-101 et seq.;
T.C.A. § 49-8-203; T.C.A. § 49-8-203(a)(1)(E)

Approved by:

Administrative Council: April 5, 2017

University Assembly: April 19, 2017

in approval



Agenda Item Summary

Date: June 15, 2017

Division: Internal Audit

Agenda Item: Policy 600–Code of Conduct



Review



Action



No action required

PRESENTERS: Deanna Metts, Director of Internal Audit

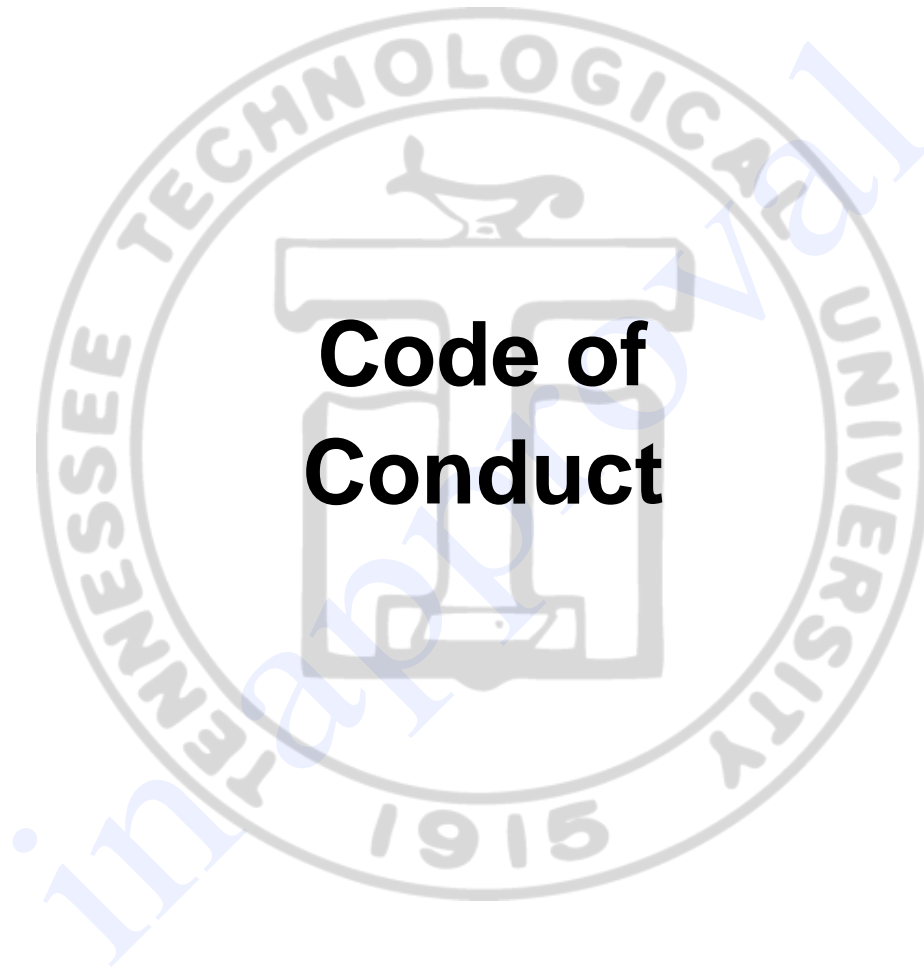
PURPOSE & KEY POINTS:

The Code of Conduct Policy provides guidance to TTU employees on how to conduct themselves in an ethical and responsible manner.

Per the Tennessee Comptroller’s Guidelines for Audit Committee Charters, the audit committee is required to review the institution’s Code of Conduct and other policies related to employee conduct to ensure that they are easy to access, are widely distributed, are easy to understand and implement, include a confidential mechanism for reporting code violations, are enforced, and include a conflict of interest policy.

The Administrative Council and University Assembly have already approved this policy.

**Tennessee Technological University
Policy No. 600**



Effective Date: July 1, 2017

Policy No.: 600

Policy Name: Code of Conduct

Policy Subject: Code of Conduct

I. Purpose

This policy provides guidance to Tennessee Tech employees on how to conduct themselves in an ethical and responsible manner.

II. Review

This policy will be reviewed every four years or whenever circumstances require review, whichever is earlier, by the Associate Vice President for Human Resources in consultation with the Vice President for Planning and Finance, and the Audit & Business Committee as necessary, with recommendations for revision presented to the Administrative Council and University Assembly.

III. Policy

- A. Employees of Tennessee Tech are expected to act in a manner that will enhance the name, service, and general impression of Tennessee Tech and the State of Tennessee. As such, employees are expected to follow and uphold Tennessee Tech's Code of Conduct as outlined below in Section E.
- B. Employees who violate the Code of Conduct will be subject to disciplinary action as outlined in TTU Policy 650 (Disciplinary Action).
- C. The appearance of unethical or irresponsible conduct, whether or not such conduct has actually occurred, can be damaging to Tennessee Tech. As such, any appearance of unethical or irresponsible conduct may also be a violation of the Code of Conduct and subject to disciplinary action.
- D. Employees are required to cooperate fully in any investigation related to a violation of the Code of Conduct.
- E. Code of Conduct
 - 1. In carrying out Tennessee Tech's educational, research, and public service missions, Tennessee Tech relies on the ethical and responsible conduct of all employees. Employees are expected to conduct themselves fairly, honestly, in good faith, and in accordance with the highest ethical and professional standards and to comply with applicable laws, regulations, contractual obligations, and Tennessee Tech policies.

2. Employees are expected to be committed to creating an environment that promotes academic freedom, diversity, fair treatment, and respect for all faculty, staff, students, and the general public.
 3. Employees shall not refuse to accept reasonable job assignments or intentionally fail to follow lawful instructions. Employees must also accurately report work time and attendance.
 4. Employees are expected to maintain the highest levels of integrity and objectivity as they perform their duties. As such, employees are expected to take all reasonable precautions and seek appropriate guidance to ensure their outside interests do not place them in conflict with carrying out their duties and responsibilities to Tennessee Tech in accordance with TTU Policy 132 (Conflict of Interest).
 5. Employees must use Tennessee Tech property, funds, technology, time, and other resources for legitimate business purposes. Employees must not use Tennessee Tech resources for personal gain or to benefit third parties.
 6. Employees must conduct research with the highest integrity and in compliance with federal, state, and local laws and regulations and Tennessee Tech policies. Employees involved in conducting research are expected to become familiar with applicable laws, regulations, and policies.
 7. Employees are entrusted with a variety of confidential information about students, faculty, staff, alumni, donors, research sponsors, licensing partners, and others. Employees must access, use, protect, disclose, preserve, and dispose of confidential information in compliance with applicable laws, regulations, and Tennessee Tech policies.
 8. Employees are expected to be committed to protecting the health and safety of all Tennessee Tech students, faculty, staff, and visitors. Employees are expected to exercise good health and safety practices and to comply with all health and safety laws and regulations.
- F. Employees are expected to report any good-faith concern as soon as reasonably possible after knowledge that a violation of the Code may have occurred.
1. Employees may submit the [General Complaint Form](#) anonymously or report the suspected violation to the Associate Vice President for Human Resources.
 2. If the complaint falls under Tennessee Tech Policy 141 (Discrimination and Harassment), TTU Policy 143 (Sexual Misconduct), TTU Policy 131 (Preventing and Reporting Fraud, Waste, or Abuse), or any other Tennessee Tech policy outside the scope of Human Resources, the Associate Vice President for Human

Resources or Director for Internal Audit will forward to the appropriate individual for investigation.

IV. Interpretation

The Associate Vice President for Human Resources or his/her designee has the final authority to interpret the terms of this policy.

V. Citation of authority for policy

T.C.A. 4-35-103 (b) & (c)

Approved by:

Administrative Council: April 5, 2017

University Assembly: April 19, 2017

in approval



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: Compensation Plans

Review

Action

No action required

PRESENTERS: Dr. Leslie Crickenberger, Associate Vice President for Human Resources

PURPOSE & KEY POINTS:

The Compensation Plans are intended to:

- Support the mission of Tennessee Technological University (TTU) in providing leadership and outstanding programs that benefit the people of Tennessee
- Attract, motivate and retain a well-qualified workforce
- Offer competitive compensation within relevant labor markets
- Recognize and reward individual initiative and achievements
- Ensure compliance with applicable laws and regulations



EXECUTIVE SUMMARY

June 15, 2017

COMPENSATION PLAN

Overview of Current Plan

- Tennessee Tech's current Compensation Plan was developed in 2011 after an extensive compensation study by The Centre Group.
- The compensation study provided guidelines for new job families and pay grades, which allowed Tennessee Tech to identify target levels based on time-in-grade and a market analysis.
- Between 2011 and 2014 only minor changes were made to the compensation plan.
- The compensation plan, as identified in the 2011 study, was never fully funded due to limited state appropriations towards employee salaries.
- As a result, in 2015, Tennessee Tech proposed an addition to their compensation plan based on an internal need for merit based pay. This addition was approved at the Tennessee Board of Regents June 2015 meeting.

Proposed Changes

- Tennessee Tech has a need to be able to offer incentive compensation (bonus) plans in critical areas that focus on grant development and/or fundraising.
- The addition of an incentive compensation (bonus) plan will allow Tennessee Tech to develop specific bonus criteria that employees will have to meet in order to be eligible for a bonus.
- The majority of bonuses will be funded through grants/restricted funds as a result of increased gains in those areas.
- The purpose of the incentive compensation (bonus) plan is to incentivize those employees who actively participate in bringing additional funding to Tennessee Tech in support of TTU's mission.



JUNE 2017

TENNESSEE TECHNOLOGICAL UNIVERSITY

COMPENSATION PLAN

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Compensation Philosophy & Objectives

The Compensation Plan is intended to:

- Support the mission of Tennessee Technological University (TTU) in providing leadership and outstanding programs that benefit the people of
- Attract, motivate and retain a well-qualified workforce
- Offer competitive compensation within relevant labor markets
- Recognize and reward individual initiative and achievements
- Ensure compliance with applicable laws and regulations

Compensation Plan

TTU administers a compensation plan that attracts, motivates, and retains a well-qualified workforce. The plans are designed to balance internal equity and market competitiveness. Comparable jobs will be compensated within similar pay ranges/grades based on a review of each job and relevant market data. Individuals with similar backgrounds in experience, skills, and education will be hired at comparable rates for the same or similar job classifications.

Human Resources is responsible for completing relevant compensation data analysis for use in the development of compensation strategies that support TTU's objectives while staying within established budgetary constraints and compliance with all applicable laws and regulations. The daily operation of the compensation plan is the responsibility of the Associate Vice President for Human Resources.

TTU's compensation plan is continuously evaluated and revised as needed to ensure that TTU's mission is being met.

Background

In 2010 and 2011, TTU worked with The Centre Group to complete a study of TTU's compensation and classification system. The scope of the work included a review of the compensation system covering Clerical and Support, Administrative/Professional, and Executive positions. As a result of the study, new job families and pay grades were established for the Clerical and Support positions, and new pay grades were established for the Administrative/Professional and Executive positions. Once the new pay grades were developed, a target level of pay was calculated for each employee based on the time in the job and the pay range to which the job was assigned. A pay-to-market gap was calculated representing the difference between the employee's current pay and the target pay level. As TTU's goal was to pay at market, not above, those employees whose pay was at or above market (midpoint) were considered to be at or above target level. Following TBR approval of TTU's compensation plan at the September 2011 board meeting, TTU implemented the results of the compensation study for non-faculty employees with an effective date of October 1, 2011.

Between 2011 – 2016, TTU submitted minor changes to the compensation plan. In 2016, TTU conducted an overall internal assessment of the compensation plan and determined a need for merit based pay. The revised compensation plan included merit based pay and was presented and approved by TBR at the June 2016 Board Meeting.

Coverage

The TTU employee compensation plan includes:

- Non-exempt employees (regular positions involved in clerical, technical, paraprofessional, skilled crafts and service, and maintenance work); and,
- Exempt employees (regular administrative, managerial, and professional non-faculty positions).

These plans exclude faculty, the President, academic department chairpersons, coaches, and other positions exempted upon implementation.

Both the administrative/professional plan for exempt employees and the clerical/support plan for non-exempt employees are based on a market pricing approach - review and systematic evaluation of the relevant jobs and comparison of salaries with surveyed market data.

Compensation Guidelines

All compensation decisions will follow [Tennessee Tech Policy 644 Compensation](#).

New Hires

The starting compensation for all new employees regardless of classification will generally fall between the range minimum and range midpoint contingent on 1) prior relevant experience; 2) education/training in excess of position's qualifications; and 3) market conditions.

For each year of relevant experience in excess of the position's requirements, a new employee will receive 0.5 years of credit, up to a maximum of three (3) years of credit.

For a degree above what is required for the position, a new employee will receive one (1) additional year of credit. Therefore, relevant experience and degrees in excess of stated requirements will support a higher starting salary.

Based on the degree and experience, Human Resources will provide recommendations on starting salary decisions. See Table 1 for an example of a new hire salary calculation.

For positions that have proven unusually hard to fill, the hiring department should communicate with Human Resources to discuss possible strategies.

No new employee will start employment below the minimum of the salary range.

Table 1.

Salary Calculation Sheet		
Item	Data	Explanation
Position Title	Manager	
Position Number	123654	
Grade	45	
Grade Minimum	\$47,476	
Grade Midpoint	\$59,481	
Required Exp (yrs)	3	3 yrs related experience
Attained Related Exp	9.00	
Additional Exp CREDIT	3.0	Administrative/Professional: 0.5 years credit per year, up to a maximum of 3 years credit
Required Training/Cert	BS	Bachelor's Degree
Additional Training	MS	Master's Degree
Additional Training CREDIT	1	Degrees, certifications, licenses above job requirements will receive 1 years credit
Total Years of CREDIT	4.0	
Calculate Salary:		
Grade Minimum	\$47,476	
Grade Midpoint	\$59,481	
Difference	\$12,005	
Total Years of CREDIT	4	
ADD to Minimum	\$9,604	TTL Yrs Credit=4.0 yrs/5ths of difference between Min and Mid
Subtotal	\$57,080	
Recommended Start Salary	\$57,080	
Apply Supply & Demand Premium		
Supply & Demand Premium	\$0	For exceptionally hard-to-fill roles, a premium of up to 10% of the midpoint may be added, with VP's approval, not to exceed midpoint
Starting Salary	\$57,080	

Position Changes

If an employee is promoted to a higher grade job, the new hire guidelines are applied unless the calculated salary is less than their current salary. If the calculated salary is less than current salary, the employee will receive a 5% increase to their current salary. New time in grade is effective at promotion date.

If an employee is transferred to a new position at the same grade as prior position, the employee will receive the larger compensation amount of either their current salary or their salary calculated using the new hire guideline. This transfer is considered a lateral transfer and the time in grade date will be unchanged.

If, after market analysis and appropriate justification, a job is reclassified to a higher grade, the employee will receive an increase in compensation based on the application of the new hire guidelines. If the calculated salary is less than current salary, the employee will receive a 5% increase to their current salary. The time in grade date will be the date of the position reclassification.

If an employee is demoted to a lower grade job, the employee's compensation will be adjusted using the new hire guidelines, or adjusted to the same pay position-in-range in the new grade as

was in the prior grade. The time in grade date will remain unchanged if the experience of the prior position is relevant to the new position.

If an employee is appointed as interim, the compensation is the minimum of the pay grade or a 5% increase to their current salary, whichever is more.

Position Reclassification

TTU is committed to a consistent, competitive, and equitable position classification process based on the requirements of the position.

Pursuant to TTU Policy 659, position reclassifications must establish significant, permanent changes, which include:

- Substantial and permanent changes in job duties, job complexity, and/or knowledge and skills required that could result in a higher pay grade; or
- Increase in supervisory responsibility due to departmental changes; or
- Reclassification of a vacant position to a position with new, permanent responsibilities.

It is important to note that not all changes in a position should result in the position being reclassified. In cases where changes in job duties occur, but are not substantial enough to justify a higher pay grade through reclassification, the department supervisor should initiate an update of the existing Job Analysis Questionnaire (JAQ).

Reclassification of Vacant Positions

A department supervisor may request a vacant position review if the requirements for a position reclassification are met.

A vacant position reclassification request is initiated by the Department (supervisor/hiring manager) with the review and approval of the division Vice President. A vacant reclassification request must include the following:

- An approval memo for the position reclassification review addressed to the Associate Vice President for Human Resources that includes business justification and the appropriate Vice President's signature; and
- A copy of the proposed Position Reclassification JAQ reflecting the new job title, job responsibilities, benefits to Tennessee Tech, expected operational enhancements, and funding source.

The Associate Vice President for Human Resources will review the request and make a determination on whether the request meets the identified qualifications.

Upon approval by the Associate Vice President for Human Resources, the Compensation Manager will review the information and make a pay grade recommendation to the Associate Vice President for Human Resources.

The Associate Vice President for Human Resources will make a determination and notify the department supervisor making the request.

If the request is approved, the department supervisor will submit the new position reclassification through the appropriate channels for approval.

Reclassification of Current Employees

A department supervisor may request a current position review if the requirements for a position reclassification are met.

Employees must have at least six (6) months of continuous service in his/her current position to be eligible for a position reclassification review.

Employees currently on a performance improvement plan are not eligible for a position reclassification review.

A position reclassification request is initiated by the Department (supervisor/hiring manager) with the review and approval of the division Vice President. A reclassification request must include the following:

- An approval memo for the position reclassification review addressed to the Associate Vice President for Human Resources that includes business justification and the appropriate Vice President's signature; and
- A copy of the current position JAQ; and
- A copy of the new position reclassification JAQ reflecting the new/additional duties and tasks being performed, benefits to the University, expected operational enhancements and funding source.

The Associate Vice President for Human Resources will review the request and make a determination on whether the request meets the identified qualifications.

Upon approval by the Associate Vice President for Human Resources, the Compensation Manager may conduct a market analysis, internal assessment, complete a desk audit with the employee, and outline a recommendation.

The Compensation Manager will present the completed position reclassification assessment to the Compensation Review Committee for position reclassification determination.

The Compensation Review Committee may approve without changes, approve with proposed changes, or not approve the position reclassification.

The Compensation Manager will notify the department supervisor of the Compensation Review Committee's position reclassification determination.

The Compensation Manager will notify the employee of the position reclassification determination and any salary adjustments associated with the determination.

If the Compensation Review Committee does not approve a position reclassification, a supervisor may not submit a request for a position reclassification for the same position within one (1) year of the original submission absent extraordinary circumstances.

The Compensation Review Committee’s determination is final.

Salary Adjustments

Human Resources will process any approved position reclassification that includes a salary adjustment on the first of the month following the approval determination.

Human Resources will not approve a request for a retroactive salary adjustment absent extraordinary circumstances.

Compensation Review Committee

Compensation Review Committee members are chosen by the Director for Affirmative Action with approval from the Associate Vice President for Human Resources.

The Compensation Review Committee will include a representative sample of employees.

Committee members serve a minimum of one (1) fiscal year and meet quarterly throughout the fiscal year.

Recognition for Degree Attainment

An employee who receives a degree at a higher level than their current academic standing and who has been employed with TTU one (1) year or more at the time the degree is granted, will be eligible to receive a salary increase in the following amounts.

Degree	Pay Increase
Bachelor’s	\$1,000
Master’s	\$1,500
Doctorate	\$2,500

Merit Based Pay

Subject to legislative appropriations, the availability of funds, approval by the Board of Trustees, and TTU administrator instructions, a merit bonus and/or salary increase based on documented work performance may be granted to eligible employees. Merit based pay should be understood to mean exceptional achievement of performance that is distinctly above and beyond the competent and professional fulfillment of regular duties. TTU has established a performance evaluation process that incorporates an electronic evaluation system, a supervisor training program focused on performance rating and rating bias, and a review process by Human Resources and Affirmative Action to identify any adverse impact.

Incentive Compensation (Bonus) Plans

The purpose of the incentive compensation (bonus) plan is to motivate and reward key employees for accomplishing individual performance goals established in accordance with the business targets of the College or Department. Incentive compensation (bonus) plans are subject to review and approval by the appropriate Vice President or Provost and the Associate Vice President for Human Resources. Incentive (bonus) awards must be approved by the Associate Vice President for Human Resources prior to payment.

Cost of Living Increases

Subject to legislative appropriations, the availability of funds, approval by the Board of Trustees, and TTU administrator instructions, cost of living increases may be granted to eligible employees.

Indexing

TTU will complete yearly reviews of indexing based on reliable, relevant market information. Any range adjustments will be consistent with the average salary increases as reported by CUPA-HR, annual salary surveys, and World at Work annual salary increase survey, minus 1.0%. The 1.0% is subtracted to reflect a historical trend showing that pay structure changes are typically 1.0% to 1.5% less than average actual pay increases. For example, if CUPA reports a 2.0% average pay increase and World at Work reports a 2.7% increase, the average, 2.35% less 1.0%, would yield 1.35% as a structure adjustment.

For review of the Current Salary Ranges see [Appendix A](#).

Appendix A

Executive Salary Ranges

Grade	Min	Mid	Max
EX20	48,112	62,543	76,975
EX21	52,919	68,792	84,676
EX22	58,207	75,679	93,141
EX23	64,038	83,245	102,452
EX24	70,433	91,563	112,693
EX25	77,476	100,728	123,968
EX26	85,230	110,791	136,362
EX27	93,747	121,878	149,999
EX28	103,121	134,063	165,006
EX29	113,435	147,470	181,496
EX30	124,783	162,215	199,647
EX31	137,261	178,434	219,617
EX32	150,982	196,282	241,573
EX33	166,082	215,907	265,733
EX34	182,697	237,497	292,307
EX35	201,581	261,250	321,536

Range Spread	60%
Midpoint Differential	10%

Administrative Salary Ranges

Grade	Min	Mid	Max
40	29,260	36,575	43,890
41	32,249	40,316	48,373
42	35,540	44,433	53,316
43	39,177	48,969	58,760
44	43,179	53,974	64,769
45	47,476	59,481	71,384
46	52,449	65,563	78,678
47	57,809	72,262	86,714
48	63,714	79,639	95,576
49	70,224	87,780	105,336
50	77,403	96,746	116,100
51	85,303	106,632	127,960
52	94,019	117,531	141,033
53	103,622	129,528	155,444
54	114,208	142,768	171,317
55	125,881	157,356	188,821

Range Spread	50%
Midpoint Differential	10%

Clerical & Support Salary Ranges

Grade	Min	Mid	Max
1	15,153	18,183	21,214
2	16,741	20,085	23,439
3	18,497	22,196	25,885
4	20,430	24,516	28,602
5	22,572	27,076	31,590
6	24,934	29,918	34,903
7	27,536	33,053	38,561
8	30,420	36,512	42,594
9	33,607	40,337	47,056
10	37,129	44,559	51,978
11	41,016	49,220	57,423
12	45,322	54,387	63,451
13	50,079	60,096	70,111

Range Spread	40%
Midpoint Differential	10%



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: Tuition and Mandatory Fees

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

Recommendation of Tennessee Tech's 2017-18 undergraduate, graduate, and out-of-state tuition and mandatory fees.

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Agenda Item: IV. A & B

DATE: May 11, 2017

SUBJECT: Tuition and Fee Ranges **(REVISED)**

ACTION RECOMMENDED: Approval

BACKGROUND INFORMATION

Since 2010, the Complete College Tennessee Act has required the Commission to make student fee and state appropriation recommendations concurrently. Numerous factors impacted the tuition recommendation, including affordability and financial aid, the income profile of students attending Tennessee public institutions, and institutional revenues and cost inflation. The FOCUS Act expanded THEC’s authority on student fee levels, requiring that the Commission issue binding tuition ranges each year. These ranges apply only to resident, undergraduate students on the tuition (maintenance fee) rate, as well as the total maintenance and mandatory fee charge.

TENNESSEE’S TUITION AND FEE PROFILE

Average full-time, annual tuition and mandatory fees for 2016-17 is **\$8,987** at public universities, \$4,224 at community colleges, and \$3,647 at the Tennessee Colleges of Applied Technology (TCATs). Tennessee’s public higher education tuition and fee levels are considered average compared to peers across the states in the Southern Regional Education Board. Over the last five years, tuition and mandatory fees have increased an average of four to five percent across the sectors, while state appropriations have increased an average of nearly four percent per year.

Tennessee’s financial aid resources are among the highest in the U.S., according to data provided by the National Association of State Student Grant Aid Programs (NASSGAP). Tennessee had the fifth largest financial aid program in the nation and the fourth largest per capita. Funding for the lottery scholarship and the Tennessee Student Assistance Award comprise the majority of financial aid. In part due to these funding levels, Tennessee college graduates had the 14th lowest debt level in the nation, according to data published by the Institute for College Access & Success. It should be noted, however, that no data are available for debt among students who do

not graduate. With the introduction of Tennessee Promise in the fall of 2015, Tennessee saw a reduction in the number of student loan originations, suggesting that the relative debt level of Tennessee students to our state peers may continue to decrease in the coming years.

RECOMMENDATION

At the November 2016 Commission meeting, the Commission approved a tuition and fee guidance range of zero to four percent, incorporating a budget increase request of \$48 million in new state funds.

Taking into account the Governor's budget recommendation for formula units of \$55.1 million (inclusive of increases for outcomes productivity and a partially-funded three percent salary pool), THEC staff maintain the initial recommendation of a tuition binding range of zero to four percent at universities, community colleges, and TCATs and a combined total tuition and mandatory fees binding range of zero to four percent at universities, community colleges, and TCATs. Scenarios for minimum and maximum tuition and mandatory fee increases for 2017-18 are presented and summarized in Attachment I for each university and community college, as well as the TCAT system.

Attachment II details the comparison of 2016-17 tuition and mandatory fee rates with the maximum allowed increase (i.e., four percent) for each university and community college, as well as the TCAT system. Currently, the average full-time, annual tuition and mandatory fees for 2016-17 is **\$8,987** at public universities, \$4,224 at community colleges, and \$3,647 at TCATs. If each of these institutions increased maintenance and mandatory fees by four percent (the maximum allowed), the average full-time, annual tuition and mandatory fees for 2017-18 would be **\$9,347** at public universities, \$4,393 at community colleges, and \$3,793 at TCATs—increases of **\$359**, \$169, and \$146, respectively.

Note: Revisions to this coversheet and attachments are due to a change in reporting of Middle Tennessee State University's Student Government Association (SGA) fee and a re-weighting of the university average for institutions with differentiated tuition levels.

2017-18 Binding Tuition Ranges (REVISED)

Maximum Increase of Maintenance (Tuition) and Maintenance + Mandatory Fees: 4.00%

	2017-18 Binding Ranges			
	Maintenance Fee		Maintenance + Mandatory Fees	
	Minimum	Maximum	Minimum	Maximum
Austin Peay	\$0 or Less	\$ 261	\$0 or Less	\$ 320
East Tennessee ¹	\$0 or Less	\$ 280	\$0 or Less	\$ 347
Middle Tennessee	\$0 or Less	\$ 277	\$0 or Less	\$ 344
Tennessee State	\$0 or Less	\$ 261	\$0 or Less	\$ 303
Tennessee Tech	\$0 or Less	\$ 295	\$0 or Less	\$ 342
University of Memphis	\$0 or Less	\$ 314	\$0 or Less	\$ 380
Chattanooga	\$0 or Less	\$ 157	\$0 or Less	\$ 170
Cleveland	\$0 or Less	\$ 157	\$0 or Less	\$ 169
Columbia	\$0 or Less	\$ 157	\$0 or Less	\$ 168
Dyersburg	\$0 or Less	\$ 157	\$0 or Less	\$ 169
Jackson	\$0 or Less	\$ 157	\$0 or Less	\$ 169
Motlow	\$0 or Less	\$ 157	\$0 or Less	\$ 169
Nashville	\$0 or Less	\$ 157	\$0 or Less	\$ 166
Northeast	\$0 or Less	\$ 157	\$0 or Less	\$ 170
Pellissippi	\$0 or Less	\$ 157	\$0 or Less	\$ 170
Roane	\$0 or Less	\$ 157	\$0 or Less	\$ 169
Southwest	\$0 or Less	\$ 157	\$0 or Less	\$ 169
Volunteer	\$0 or Less	\$ 157	\$0 or Less	\$ 169
Walters	\$0 or Less	\$ 157	\$0 or Less	\$ 169
UT Chattanooga	\$0 or Less	\$ 271	\$0 or Less	\$ 342
UT Knoxville (admitted before 2013-14) ²	\$0 or Less	\$ 369	\$0 or Less	\$ 442
UT Knoxville (admitted in 2013-14)	\$0 or Less	\$ 428	\$0 or Less	\$ 500
UT Knoxville (admitted after 2013-14)	\$0 or Less	\$ 437	\$0 or Less	\$ 509
UT Martin (Full-Time w/ 60+ SCH & All Part-time) ³	\$0 or Less	\$ 283	\$0 or Less	\$ 339
UT Martin (Full-Time w/ fewer than 60 SCH)	\$0 or Less	\$ 307	\$0 or Less	\$ 364
TN Colleges of Applied Tech	\$0 or Less	\$ 137	\$0 or Less	\$ 146
University Avg⁴	\$0 or Less	\$ 299	\$0 or Less	\$ 359
Community College Avg	\$0 or Less	\$ 157	\$0 or Less	\$ 169

1 - In 2016-17, Freshmen, Sophomores and Juniors paid an additional debt service fee of \$240 and an additional Student Activity fee of \$50 in FY17 for the DP Culp Center renovation. As these classes progress, the additional fees will remain part of the mandatory fees. Therefore, the 2017-18 tuition and fee ranges reported in this line will apply to 2017-18 Freshmen, Sophomores, Juniors and Seniors.

2 - The 2016-17 tuition rate for students admitted in Fall 2013 or later at UT Knoxville were flat rates for 15 semester credit hours, regardless of the number of credit hours taken by the student. This policy was approved in 2012 by the UT Board for Introduction in Fall 2013. Therefore, the tuition and fee ranges will differentiate based on when students enrolled at UT Knoxville.

3 - The 2016-17 tuition rate for full-time students who have completed fewer than 60 credit hours was a flat rate for 15 hours a semester regardless of how many hours the student is enrolled in. Full-time students with more than 60 credit hours and all part-time students are charged on a per credit basis up to 12 credit hours, and are not charged additional fees above that. Therefore, the tuition and fee ranges differentiate based on enrollment status of UT Martin students.

4 - This average incorporates a weighted tuition for UT Knoxville and UT Martin students to reflect both institutions' differentiated tuition levels.

Audit & Business Committee Materials - Tuition and Mandatory Fees

2017-18 Binding Tuition Ranges (REVISED)
2017-18 Maintenance and Mandatory Fee Increase Scenario and Comparison - 4.00% Limit

	2016-17			2017-18			Combined Increase	Combined % Increase
	Maintenance Fee	Mandatory Fee	Maintenance + Mandatory	Maintenance Fee	Mandatory Fee	Combined		
Austin Peay	\$ 6,522	\$ 1,473	\$ 7,995	\$ 6,783	\$ 1,532	\$ 8,315	\$ 320	4.00%
East Tennessee ¹	\$ 7,002	\$ 1,669	\$ 8,671	\$ 7,282	\$ 1,736	\$ 9,018	\$ 347	4.00%
Middle Tennessee	\$ 6,930	\$ 1,680	\$ 8,610	\$ 7,207	\$ 1,747	\$ 8,954	\$ 344	4.00%
Tennessee State	\$ 6,528	\$ 1,039	\$ 7,567	\$ 6,789	\$ 1,081	\$ 7,870	\$ 303	4.00%
Tennessee Tech	\$ 7,380	\$ 1,171	\$ 8,551	\$ 7,675	\$ 1,218	\$ 8,893	\$ 342	4.00%
University of Memphis	\$ 7,860	\$ 1,637	\$ 9,497	\$ 8,174	\$ 1,702	\$ 9,877	\$ 380	4.00%
Chattanooga	\$ 3,930	\$ 319	\$ 4,249	\$ 4,087	\$ 332	\$ 4,419	\$ 170	4.00%
Cleveland	\$ 3,930	\$ 299	\$ 4,229	\$ 4,087	\$ 311	\$ 4,398	\$ 169	4.00%
Columbia	\$ 3,930	\$ 271	\$ 4,201	\$ 4,087	\$ 282	\$ 4,369	\$ 168	4.00%
Dyersburg	\$ 3,930	\$ 299	\$ 4,229	\$ 4,087	\$ 311	\$ 4,398	\$ 169	4.00%
Jackson	\$ 3,930	\$ 285	\$ 4,215	\$ 4,087	\$ 296	\$ 4,384	\$ 169	4.00%
Motlow	\$ 3,930	\$ 307	\$ 4,237	\$ 4,087	\$ 319	\$ 4,406	\$ 169	4.00%
Nashville	\$ 3,930	\$ 225	\$ 4,155	\$ 4,087	\$ 234	\$ 4,321	\$ 166	4.00%
Northeast	\$ 3,930	\$ 311	\$ 4,241	\$ 4,087	\$ 323	\$ 4,411	\$ 170	4.00%
Pellissippi	\$ 3,930	\$ 323	\$ 4,253	\$ 4,087	\$ 336	\$ 4,423	\$ 170	4.00%
Roane	\$ 3,930	\$ 303	\$ 4,233	\$ 4,087	\$ 315	\$ 4,402	\$ 169	4.00%
Southwest	\$ 3,930	\$ 305	\$ 4,235	\$ 4,087	\$ 317	\$ 4,404	\$ 169	4.00%
Volunteer	\$ 3,930	\$ 293	\$ 4,223	\$ 4,087	\$ 305	\$ 4,392	\$ 169	4.00%
Walters	\$ 3,930	\$ 288	\$ 4,218	\$ 4,087	\$ 300	\$ 4,387	\$ 169	4.00%
UT Chattanooga	\$ 6,768	\$ 1,776	\$ 8,544	\$ 7,039	\$ 1,847	\$ 8,886	\$ 342	4.00%
UT Knoxville (admitted before 2013-14) ²	\$ 9,228	\$ 1,810	\$ 11,038	\$ 9,597	\$ 1,882	\$ 11,480	\$ 442	4.00%
UT Knoxville (admitted in 2013-14)	\$ 10,688	\$ 1,810	\$ 12,498	\$ 11,116	\$ 1,882	\$ 12,998	\$ 500	4.00%
UT Knoxville (admitted after 2013-14)	\$ 10,914	\$ 1,810	\$ 12,724	\$ 11,351	\$ 1,882	\$ 13,233	\$ 509	4.00%
UT Martin (Full-Time w/ 60+ SCH & All Part-time) ³	\$ 7,070	\$ 1,408	\$ 8,478	\$ 7,353	\$ 1,464	\$ 8,817	\$ 339	4.00%
UT Martin (Full-Time w/ fewer than 60 SCH)	\$ 7,680	\$ 1,408	\$ 9,088	\$ 7,987	\$ 1,464	\$ 9,452	\$ 364	4.00%
TN Colleges of Applied Tech	\$ 3,417	\$ 230	\$ 3,647	\$ 3,554	\$ 239	\$ 3,793	\$ 146	4.00%
University Avg⁴	\$ 7,469	\$ 1,518	\$ 8,987	\$ 7,768	\$ 1,579	\$ 9,347	\$ 359	4.00%
Community College Avg	\$ 3,930	\$ 294	\$ 4,224	\$ 4,087	\$ 306	\$ 4,393	\$ 169	4.00%

1 - In 2016-17, Freshmen, Sophomores and Juniors paid an additional debt service fee of \$240 and an additional Student Activity fee of \$50 in FY17 for the DP Culp Center renovation. As these classes progress, the additional fees will remain part of the mandatory fees. Therefore, the 2017-18 tuition and fee ranges reported in this line will apply to 2017-18 Freshmen, Sophomores, Juniors and Seniors.

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3 - The 2016-17 tuition rate for full-time students who have completed fewer than 60 credit hours was a flat rate for 15 hours a semester regardless of how many hours the student is enrolled in. Full-time students with more than 60 credit hours and all part-time students are charged on a per credit basis up to 12 credit hours, and are not charged additional fees above that. Therefore, the tuition and fee ranges differentiate based on enrollment status of UT Martin students.

4 - This average incorporates a weighted tuition for UT Knoxville and UT Martin students to reflect both institutions' differentiated tuition levels.



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: 2016-17 Estimated and 2017-18 Proposed Budgets

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

Review recommendation and approval of Tennessee Tech's 2016-17 Estimated and 2017-18 Proposed Budgets.

Revenues - Current Estimate FY2016-17 and Proposed Budget FY2017-18

	Current Estimate FY2016-17		Proposed Budget FY2017-18	
Tuition and Fees	\$	97,480,500	\$	98,559,500
State Appropriations	\$	41,991,800	\$	45,448,900
Contracts and IDC	\$	971,400	\$	971,400
Sales and Services	\$	1,900,100	\$	1,676,800
Other Activities	\$	3,712,421	\$	3,446,810
Athletics (inc student fee)	\$	6,195,279	\$	5,892,390
Total Revenues	\$	152,251,500	\$	155,995,800

Expenses by Budget Category - Current Estimate FY2016-17 and Proposed Budget FY2017-18

	Current Estimate FY2016-17		Proposed Budget FY2017-18	
Instruction	\$	66,713,300	\$	66,572,800
Research	\$	3,200,100	\$	2,583,800
Public Service	\$	3,128,700	\$	2,579,400
Academic Service	\$	13,127,300	\$	12,204,400
Student Services	\$	24,818,700	\$	23,278,600
Institutional Support	\$	15,578,800	\$	14,635,600
Oper. & Maint. of Plant	\$	14,697,500	\$	14,088,400
Scholarships & Fellowships	\$	11,588,900	\$	12,929,600
Total Expenses	\$	152,853,300	\$	148,872,600

Expenses by Natural Classification - Current Estimate FY2016-17 and Proposed Budget FY2017-18

	Current Estimate FY2016-17		Proposed Budget FY2017-18	
Salaries and Wages	\$	75,751,900	\$	76,362,200
Fringe Benefits	\$	28,997,400	\$	28,957,400
Travel	\$	2,630,500	\$	1,895,000
Operating & Utilities	\$	33,362,400	\$	28,379,900
Scholarships & Fellowships	\$	11,588,900	\$	12,929,600
Capital	\$	522,200	\$	348,500
Total Expenses	\$	152,853,300	\$	148,872,600

E&G Unrestricted Budget Summary - Current Estimate FY2016-17 and Proposed Budget FY2017-18

	Current Estimate FY2016-17		Proposed Budget FY2017-18	
Beginning Fund Balance	\$	15,950,850	\$	10,049,167
E&G Revenues	\$	152,251,500	\$	155,995,800
E&G Expenses	\$	152,853,300	\$	148,872,600
Mandatory Transfers	\$	518,400	\$	328,400
Non-mandatory Transfers	\$	4,781,600	\$	6,699,900
Ending Fund Balance	\$	10,049,167	\$	10,100,215

Breakdown of E&G Fund Balance - Current Estimate FY2016-17 and Proposed Budget FY2017-18

Current Estimate FY2016-17				
	<u>Beginning Fund Balance</u>		<u>Ending Fund Balance</u>	
Allocation for Encumbrances	\$	740,600	\$	740,600
Allocation for Working Capital	\$	4,046,200	\$	4,046,200
Special Allocations*	\$	9,737,950	\$	5,262,367
Unallocated Balance	\$	1,426,100	\$	-
Total E&G Fund Balance	\$	15,950,850	\$	10,049,167
*2% to 5% Reserve	\$	7,554,985	\$	3,079,307
*Student Activity Fee	\$	693,638	\$	693,638
*Technology Access Fee	\$	1,430,213	\$	1,430,213
*Specialized Academic Course Fee	\$	59,162	\$	59,162
Total Special Allocations	\$	9,737,998	\$	5,262,320

Proposed Budget FY2017-18				
	<u>Beginning Fund Balance</u>		<u>Ending Fund Balance</u>	
Allocation for Encumbrances	\$	740,600	\$	740,600
Allocation for Working Capital	\$	4,046,200	\$	4,046,200
Special Allocations*	\$	5,262,367	\$	5,313,415
Unallocated Balance	\$	-	\$	-
Total E&G Fund Balance	\$	10,049,167	\$	10,100,215
*2% to 5% Reserve	\$	3,079,307	\$	3,130,376
*Student Activity Fee	\$	693,638	\$	693,638
*Technology Access Fee	\$	1,430,213	\$	1,430,213
*Specialized Academic Course Fee	\$	59,162	\$	59,162
Total Special Allocations	\$	5,262,320	\$	5,313,389

E&G Transfers - Current Estimate FY2016-17 and Proposed Budget FY2017-18

	Current Estimate FY2016-17	Proposed Budget FY2017-18
<u>Debt Service and Unexpended Plant</u>		
Debt Service Perf Contract	\$ 518,420	\$ 328,360
Debt Service Fitness Center	\$ 2,082,700	\$ 2,030,490
Debt Service Univ Center	\$ 94,000	\$ 89,850
Debt Service Eblen Center	\$ 206,850	\$ 197,660
Facilities Development (fee)	\$ 964,020	\$ 939,400
Parking and Transportation	\$ 878,465	\$ 774,575
West Property Purchase	\$ 886,630	\$ -
Extraordinary Maintenance	\$ 90,000	\$ 90,000
Small Projects	\$ 341,778	\$ 1,115,800
Total Debt Service & Unexp Plant	\$ 6,062,863	\$ 5,566,135
<u>Renewal and Replacement</u>		
IT Computer Equipment	\$ 377,110	\$ 277,110
Electronic Upgrades	\$ 335,000	\$ 350,000
Equipment - Departments	\$ 25,000	\$ 160,000
Reserves	\$ (1,500,000)	\$ 675,000
Total R&R	\$ (762,890)	\$ 1,462,110
GRAND TOTAL All Transfers	\$ 5,299,973	\$ 7,028,245

Audit & Business Committee Materials - 2016-17 Estimated and 2017-18 Proposed Budgets

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Tennessee Tech University
Summary Of Unrestricted Current Funds Available And Applied
July Budget 2017-18

	Actual 2015-16	October Budget 2016-17	Estimated Budget 2016-17	% Change Over Actual	July Budget 2017-18	% Change Over Actual
Unrestricted Current Fund Balances						
at Beginning of Period						
Allocation for Encumbrances	796,340	740,600	740,600	-07.0	740,600	-07.0
Allocation for Working Capital	2,174,263	4,046,200	4,046,200	86.1	4,046,200	86.1
Special Allocations	12,377,275	10,578,300	10,578,300	-14.5	6,092,200	-50.8
Unallocated Balance	9,603,358	1,426,100	1,426,100	-85.1	0	-100.0
Total Unrestricted Current Fund Balances	24,951,236	16,791,200	16,791,200	-32.7	10,879,000	-56.4
Revenues						
Education and General						
Tuition and Fees	100,040,784	98,372,400	97,480,500	-02.6	98,559,500	-01.5
State Appropriations	38,849,188	41,991,800	41,991,800	08.1	45,448,900	17.0
Federal Grants and Contracts	913,141	869,700	869,700	-04.8	869,700	-04.8
Local Grants and Contracts	0	3,200	3,200		3,200	
State Grants and Contracts	49,911	59,400	59,400	19.0	59,400	19.0
Private Grants and Contracts	34,819	39,100	39,100	12.3	39,100	12.3
Private Gifts	18,400	0	0	-100.0	0	-100.0
Sales & Services of Educ Activities	2,020,942	1,784,400	1,900,100	-06.0	1,676,800	-17.0
Sales & Services of Other Activities	8,508,479	8,783,400	9,114,700	07.1	8,655,700	01.7
Other Sources	691,183	973,000	793,000	14.7	683,500	-01.1
Total Education and General	151,126,847	152,876,400	152,251,500	00.7	155,995,800	03.2
Sales & Services of Aux Enterprises						
Sales and Services of Aux Enterprises	16,807,005	14,766,300	16,596,700	-01.3	17,473,700	04.0
Total Revenues	167,933,852	167,642,700	168,848,200	00.5	173,469,500	03.3
Expenditures and Transfers						
Education and General						
Instruction	67,238,629	67,375,800	66,713,300	-00.8	66,572,800	-01.0
Research	2,753,723	2,817,600	3,200,100	16.2	2,583,800	-06.2
Public Service	2,544,420	2,820,100	3,128,700	23.0	2,579,400	01.4
Academic Support	12,342,954	12,950,600	13,127,300	06.4	12,204,400	-01.1
Student Services	24,777,470	24,379,600	24,818,700	00.2	23,278,600	-06.0
Institutional Support	14,596,236	15,660,500	15,578,800	06.7	14,635,600	00.3
Operation & Maintenance of Plant	13,427,964	14,646,800	14,697,500	09.5	14,088,400	04.9
Scholarships & Fellowships	9,843,463	9,674,700	11,588,900	17.7	12,929,600	31.4
Total Education and General	147,524,859	150,325,700	152,853,300	03.6	148,872,600	00.9
Mandatory Transfers for:						
Principal & Interest	508,968	514,300	518,400	01.9	328,400	-35.5
Renewals & Replacements	0	0	0		0	

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Tennessee Tech University
Summary Of Unrestricted Current Funds Available And Applied
July Budget 2017-18

	Actual 2015-16	October Budget 2016-17	Estimated Budget 2016-17	% Change Over Actual	July Budget 2017-18	% Change Over Actual
Loan Fund Matching Grant	0	0	0		0	
Total Mandatory Transfers	508,968	514,300	518,400	01.9	328,400	-35.5
Non-Mandatory Transfers for:						
Transfers to Unexpended Plant Fund	6,536,592	3,383,200	3,160,900	-51.6	2,919,800	-55.3
Transfers to Renewal & Replacements	2,143,570	1,735,700	737,100	-65.6	1,462,100	-31.8
Transfers to Other Funds	1,924,355	2,390,000	2,383,600	23.9	2,318,000	20.5
Transfers from Unexpended Plant Fund	0	0	0		0	
Transfers from Renewal & Replacements	0	0	-1,500,000		0	
Transfers from Other Funds	0	0	0		0	
Total Non-Mandatory Transfers	10,604,517	7,508,900	4,781,600	-54.9	6,699,900	-36.8
Total Education and General	158,638,344	158,348,900	158,153,300	-00.3	155,900,900	-01.7
Auxiliary Enterprises Expenditures						
Auxiliary Enterprises Expenditures	6,557,788	7,324,100	7,303,300	11.4	7,222,400	10.1
Total Auxiliary Expenditures	6,557,788	7,324,100	7,303,300	11.4	7,222,400	10.1
Mandatory Transfers for:						
Principal & Interest	3,542,681	3,961,100	4,019,600	13.5	5,596,000	58.0
Renewals & Replacements	0	0	0	00.0	0	00.0
Loan Fund Matching Grant	0	0	0	00.0	0	00.0
Total Mandatory Transfers	3,542,681	3,961,100	4,019,600	13.5	5,596,000	58.0
Non-Mandatory Transfers for:						
Transfers to Unexpended Plant Fund	0	0	0	00.0	0	00.0
Transfers to Renewal & Replacements	7,355,041	3,583,100	5,284,200	-28.2	4,655,300	-36.7
Transfers to Other Funds	0	0	0	00.0	0	00.0
Transfers from Unexpended Plant Fund	0	0	0	00.0	0	00.0
Transfers from Renewal & Replacements	0	0	0	00.0	0	00.0
Transfers from Other Funds	0	0	0	00.0	0	00.0
Total Non-Mandatory Transfers	7,355,041	3,583,100	5,284,200	-28.2	4,655,300	-36.7
Total Auxiliary Enterprises	17,455,510	14,868,300	16,607,100	-04.9	17,473,700	00.1
Total Expenditures And Transfers	176,093,854	173,217,200	174,760,400	-00.8	173,374,600	-01.5
Other						
Prior Period Adjustment	0	0	0	00.0	0	00.0

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Tennessee Tech University
Summary Of Unrestricted Current Funds Available And Applied
July Budget 2017-18

	Actual 2015-16	October Budget 2016-17	Estimated Budget 2016-17	% Change Over Actual	July Budget 2017-18	% Change Over Actual
Other Additions/Deductions	0	0	0	00.0	0	00.0
Total Other	0	0	0	00.0	0	00.0
Unrestricted Current Fund Balances at End of Period						
Allocation for Encumbrances	740,567	740,600	740,600	00.0	740,600	00.0
Allocation for Working Capital	4,046,192	4,046,200	4,046,200	00.0	4,046,200	00.0
Special Allocations	10,578,348	6,429,900	6,092,200	-42.4	6,187,100	-41.5
Unallocated Balance	1,426,127	0	0	-100.0	0	-100.0
Total Unrestricted Current Fund Balances	16,791,234	11,216,700	10,879,000	-35.2	10,973,900	-34.6

Budget Summary and Budget Analysis

The complete Budget Summary and Budget Analysis documents can be viewed on the Budget and Planning website:

Direct Link to document – **Summary:** https://www.tntech.edu/assets/usermedia/planning-finance/14893/Budget_Summary_July_FY17-18.pdf

Direct Link to document – **Analysis:** https://www.tntech.edu/assets/usermedia/planning-finance/14893/Budget_Analysis_July_FY17-18.pdf

Historical Budget documents (FY2011 through FY2017):

Budget **Summary:** <https://www.tntech.edu/planning-and-finance/budgeting-and-planning/budgetary-information#julybudgetsummary>

Budget **Analysis:** <https://www.tntech.edu/planning-and-finance/budgeting-and-planning/budgetary-information#budgetanalysis>



Agenda Item Summary

Date: June 15, 2017

Division: Planning and Finance

Agenda Item: Compensation

Review

Action

No action required

PRESENTERS: Dr. Claire Stinson, Vice President for Planning and Finance

PURPOSE & KEY POINTS:

Review the FY2017-18 President Salary Proposal and Institutional Compensation Proposal recommendations.

President Salary Proposed

Fiscal Year 2017-18

Fiscal Year	3% Mandatory Salary Adjustment	Salary	Expense Account	Car Allowance	Total
2016-17		\$316,196	\$5,000	\$8,400	\$329,596
Proposed 2017-18	\$9,486	\$339,082	\$(5,000)	\$(8,400)	\$339,082
Net Increase					\$9,486

Tennessee Technological University
 FY 2017-18 Institutional Compensation Proposal

Part I. Creation of Salary Pool

A. A salary pool is proposed that is equal to the following percent of May 30, 2017 budgeted salaries and the following amount:

Percent:		3%
Budgeted Salaries:	\$	66,792,897
Proposed Salary Pool Amount:	\$	2,003,787

B. The Salary Pool will be used for the following purposes (Enter Amounts):

COLA:	\$	667,929		33.33	%
Comp Plan:	\$	1,164,579		58.12	%
One Time Payment:				0.00	
Additional Positions:				0.00	
Faculty Promotions:	\$	171,279		8.55	%
	\$	2,003,787		100.00	

Part II. COLA

Provide the percent increase provided to employees 1.00 %

Provide narrative addressing any specific parameters for receipt of COLA, such as performance evaluation rating, or other parameters

Active permanent Full-Time or Part-Time employee as of December 31, 2016

Part III. Comp Plan Adjustments

Are you indexing (shifting the salary grades for) your comp plan? No

If Yes, what percent of the amount dedicated to the comp plan adjustments is being used for this purpose?

What percent of the comp plan adjustment is being used to move specific employee groups to their target salary?

If any portion is for a comp plan increase please complete the remainder of the form. If it is entirely for a COLA, please skip to section D.

Tennessee Technological University
 FY 2017-18 Institutional Compensation Proposal

C. Proposed Salary Distribution:

	By EEO Category		Percent Comp Plan Funded
	Amount	Percent Total	
Faculty	\$ 541,688	46.51%	*
Administration	\$ 93,152	8.00%	
Professional	\$ 355,236	30.50%	
Clerical Support	\$ 174,503	14.98%	
Total	\$ 1,164,579	100%	

Leave Blank - Only Use for Equity

* TBD - Facility plan includes an equity portion

Part VI. Comp Plan Adjustments

Provide the number of faculty members affected by using the designated amount of the salary pool above for faculty promotions

27

Part V. One-Time Payments

Amount:

Provide narrative addressing any specific parameters for receipt of payment(i.e. Years of institution service, satisfactory performance evaluation rating, etc.)

Part VI. Timing of Increase Adjustments

Effective Date for COLA Increases

7/1/2017

Effective Date for Comp Plan Increases

8/1/2017

Effective Date for One-Time Payment

Effective Date for Additional Positions



Agenda Item Summary

Date: June 15, 2017

Division: Internal Audit

Agenda Item: Adjournment of Open Session and Call to Order of Executive Closed Session

Review

Action

No action required

PRESENTERS: Deanna Metts, Director of Internal Audit

PURPOSE & KEY POINTS:

Audits and investigations will be discussed.

TCA 4-35-108: Notice of meetings -- Open meetings -- Exceptions.

(a) Except as provided in subsection (b), all meetings of an audit committee created pursuant to this chapter shall abide by the notice requirements adhered to by the state governing board, council, commission, or equivalent body to which the audit committee is attached.

(b) All meetings of an audit committee created pursuant to this chapter shall be subject to the open meetings provisions of title 8, chapter 44, except that the audit committee may hold confidential, nonpublic executive sessions to discuss:

(1) Items deemed not subject to public inspection under §§ 10-7-503 and 10-7-504, and all other matters designated as confidential or privileged under this code;

(2) Litigation;

(3) Audits or investigations;

(4) Information protected by federal law; and

(5) Matters involving information under § 4-35-107(a), where the informant has requested anonymity.

(c) No business, other than that described under subdivisions (b)(1)-(b)(5), shall be considered during a confidential, nonpublic executive session by the audit committee.

(d) For purposes of providing notice of a confidential, nonpublic executive session, the agenda must disclose the general nature of discussion as described under subdivisions (b)(1)-(b)(5).

(e) A meeting at which both subject matter open to the public and confidential subject matter will be discussed shall be conducted as follows:

(1) All business relating to subject matter that is public in nature shall be conducted first; and

(2) At the conclusion of the meeting relating to subject matter that is public in nature, the chair shall announce that the public portion of the meeting is adjourned and that the remainder of the meeting will concern matters that are confidential under subdivisions (b)(1)-(b)(5). When everyone at the meeting who is not authorized to attend the confidential portion of the meeting has departed, the confidential portion of the meeting shall commence.

(f) This chapter is not intended to prevent the full state governing board, commission, council, or equivalent body from going into confidential, nonpublic executive session for the purpose of further discussing those matters as described under subdivisions (b)(1)-(b)(5). All portions of meetings of the full state governing board, commission, council, or equivalent body, where matters described under subdivisions (b)(1)-(b)(5) will be discussed, shall be exempt from the provisions of title 8, chapter 44; provided, that the full state governing board, commission, council or equivalent body shall abide by the notice requirements of subsections (c)-(e).