

3.11.1

Physical Resources: Control of physical resources

The institution exercises appropriate control over all its physical resources.

Judgment

Compliance Partial Compliance Non-Compliance Not Applicable

Narrative

Tennessee Technological University (TTU) has the policies, practices, and procedures in place to exercise appropriate control over its physical facilities and is in compliance with all State and system-level policies in this regard.

As described in more detail in CR 2.11.1, the physical facilities consist of all space and facilities at the following locations:

- Main campus (Cookeville, TN)
- Appalachian Center for Crafts
- Hyder-Burks Agricultural Pavilion
- Shipley Farm
- Oakley Farm
- Austin Property

In addition, as also described in CR 2.11.1, TTU has agreements with eight regional institutions to offer dual degree programs with joint responsibilities for facilities.

Physical Inventory

The University maintains accurate and up-to-date records of its physical resources, through inventories of its facilities and space, controlled by associated fiscal, records, and equipment management policies.

Physical and space inventories include buildings, space, equipment, and sensitive minor equipment. A Campus Map [1] and Building Areas listing [2] provide an overview and a summary, respectively, of campus buildings. A more detailed inventory of facilities and space is done by the University on an annual basis using the Tennessee Board of Regents (TBR) PFI system (Physical Facility Inventory) [3]. An inventory of equipment (TTU Fixed Asset Inventory) is also done annually, where equipment is defined as items with a value of \$5,000 or more [4]. For items less than \$5,000, but still deemed to be of a "sensitive" enough nature for tracking (such as computers), the University does an annual Sensitive Minor Equipment Inventory [5].

To control and manage the use of classroom space effectively, the University utilizes a software system known as EMS - Event Management System. All campus classrooms, teaching labs, conference rooms, auditoriums, and similar multi-use spaces are included in this system. This system includes detailed information about the features and capabilities of each instructional space on campus, along with scheduling information, and also captures rates of utilization as a tool for monitoring current and future campus space needs [6]. Allocation of new or renovated spaces follows the guidelines set by the

Tennessee Higher Education Commission (THEC) [7].

A number of University and system policies are in place for control of physical facilities and records. The TTU Procurement Manual provides a detailed description of policies and procedures related to all purchasing activities [8]. Purchasing of Fixed Assets and Sensitive Minor Equipment follows TBR Guideline B-110, Sections I-VII [9]. Purchasing from Contracts from Other Entities (e.g., State Contracts) is covered by TTU Policy 575 [10]. TTU Policy 572 Miscellaneous Purchasing Policies covers situations not explicitly addressed in other purchasing policies [11]. Retention and disposal of records is governed by TBR Guideline G-070 Disposal of Records [12]. Access to these records is controlled by TTU Policy 110 Access to Public Records [13]. Guidelines specifically for the confidentiality of Student Records are given in TBR Guideline S-020 Confidentiality of Student Records [14].

Control of the fiscal processes related to physical facilities is accomplished through policies, guidelines, and procedures involving budgeting, lease of real property, equipment capitalization, use of facilities, and subcontract monitoring. Proper control and management of budget is covered by TTU Policy 501 Budget Control [15]. Leasing of real property follows TBR Guideline B-026 Lease Procedures and Guidelines [16]. Use of campus property is addressed by the TTU Guidelines on the Use of Campus Property and Facilities [17].

Assets Disposal

Disposal of physical assets, including equipment and records, is covered by institutional and system policies and guidelines. Reporting of disposal, surplus, or change of location of equipment is done using the TTU Change in Accountability Form [18]. Surplused equipment is collected centrally by the facilities warehouse and sold via public bidding on an electronic website. Records disposal is covered by the aforementioned TBR Guideline G-070 Disposal of Records [12].

The disposal of former assets that fall into the category of hazardous waste materials is strictly governed by federal and state agencies and policies. Adherence to these policies and disposal of these waste materials is centralized through the TTU Office of Environmental Health and Safety. Extensive procedures regarding the proper handling, disposal, and minimization of hazardous waste generation can be found on their website [19].

Depreciation of physical assets is computed using the straight-line method to comply with Governmental Accounting Standards Board (GASB) principles and standards and the appropriate information is included in the University's annual financial reports.

Deferred Maintenance

The University compiles and continually updates a list of current and future projects with detailed information about status, costs, scope and features, contractor/designer, etc. [20]. This list reflects the prioritization of projects as needed upgrades and repairs are identified, and helps determine the order in which projects should be undertaken as needs arise or capital projects and maintenance funds become available. To help enable such projects, the University established a facilities fee in 2013 that generates approximately \$1,000,000 annually.

Prioritization of major renovations follows the vision laid out in the Campus Master Plan [21], supplemented by external consultant report on the condition of six selected campus buildings [22]. Maintenance items that left undone might pose a safety risk or a risk of damage to other assets (such

as water damage from a leaky roof), are given the highest priority for completion.

Risk Management of Physical Assets

Risk management of physical assets is provided through policies and procedures that control access to campus facilities, building and construction safety, environmental safety, loss and theft reporting, and insurance for physical assets.

TTU Policy 561 regulates the issuance, inventory, and recovery of keys for all campus facilities [23]. Supervisory authorization is required for the issuance of any key to an employee. Key inventory is maintained centrally through the TTU Facilities Office, and all issuance and return of keys is through that office. Keys are returned directly to facilities upon retirement, termination of employment, change of department, or access to a particular facility is no longer needed or has been revoked. Check-out and security of the keys is a direct responsibility of the employee.

Reporting of property loss is governed by TBR Guideline B-080 Reporting and Resolution of Institutional Losses [24]. This guideline requires the reporting of property loss using a "Notification of Loss Report," along with a quarterly report of total property loss, "Quarterly Report - Property Loss at Institution."

Insurance of physical assets. The State of Tennessee is self-insured and does not carry or maintain commercial, general liability insurance or medical, professional, or hospital liability insurance. All claims against the State of Tennessee, including the University or its employees, are heard and determined by the Tennessee Claims Commission in the manner prescribed by law. Damages recoverable against the University are expressly limited to claims paid by the Claims Commission pursuant to Tennessee Code Annotated (T.C.A.) § 9-8-301 et seq, <http://treasury.tn.gov/claims/>.

Conclusion

The University exercises adequate control of its physical resources through appropriate and specific institutional and system polices, guidelines, procedures, and practices. Control of physical inventory is through the TTU/TBR physical facility inventory (PFI), an annual equipment inventory and sensitive minor equipment inventories, purchasing policies and guidelines, space allocation and facility-use guidelines, records keeping and access guidelines, and budget policies. Asset disposal is controlled through a change-in-accountability/ surplus procedure and documentation and through TBR records-disposal guidelines. Deferred maintenance is tracked and proactively managed through TTU/TBR reporting processes and a TTU prioritized projects listing, the campus master plan, the use of external consultants for building condition review, and the establishment of an annual facilities fee. Risk management of physical assets is through a key control policy, TTU/TBR reporting of physical inventory loss, and self-insurance by the State of Tennessee to cover facility loss. The aforementioned policies, procedures, and controls demonstrate compliance with Comprehensive Standard 3.11.1.

Sources

-  [01] Campus Map_June2014
-  [02] TTU Building Areas 3_13_15
-  [03] Physical Facilities Inventory
-  [04] Fixed Asset Inventory Control Listing_022615

-  [05] Sensitive Minor Equipment 2013_2014
-  [06] EMS Training
-  [07] THEC 2013 Space Guidelines
-  [08] Procurement Manual
-  [09] TBR Guidelines B_110
-  [10] TTU Policy 575_Purchases from Contracts of Other Entities
-  [11] TTU Policy 572_Miscellaneous Purchasing Policies
-  [12] TBR Guidelines G_70 Disposal of Records
-  [13] TTU Policy 110_Access to Public Records
-  [14] TBR Guidelines S_02_Confidentiality of Student Records
-  [15] TTU Policy 501_Budget Control
-  [16] TBR Guidelines B_026_Lease Procedures and Guidelines
-  [17] Access to Campus Property
-  [18] Change of Accountability Form
-  [19] Hazardous Waste Disposal
-  [20] TTU Project List March 2015
-  [21] Campus Master Plan 2014
-  [22] Dober Lidsky Mathey Six_Building Study
-  [23] TTU Policy 561_Key Control
-  [24] TBR Guideline B_080 Reporting and Resolution of Institutional Losses