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9-12-2022

### 2022 September 12 -- University Council Agenda and Minutes

East Tennessee State University

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# AGENDA

## University Council

Monday, September 12, 2022

East Tennessee Room,

DP Culp Center

8:30 a.m. – 11:00 a.m.

*\*In person meeting\**

1. Call to Order
2. Roll Call
3. Standing Items
  - 3.1. Approve minutes of the August 8, 2022 meeting
  - 3.2. Review agenda
  - 3.3. Consent agenda items:
    - General Purchasing Policy – Hardy Scragg
    - Student Fees and Charges Policy – Hardy Scragg
  - 3.4. Call for Voluntary Reports of UC-Essential Action Items from Governance Organizations
  - 3.5. Sub-Council Reports – Quality and Effectiveness Sub-Council – Mike Hoff for Cheri Clavier
4. Action Items
  - 4.1. Old Business
  - 4.2. New Business
5. Information Items/Presentations
  - 5.1. Update on New Student Enrollment – Sam Mayhew
  - 5.2. Preliminary Enrollment – Joe Chappell
  - 5.3. Update on ETSU Peer and KPIs – Mike Hoff
6. President's Report
7. Announcements
8. Adjournment

***Zoom link provided for those that cannot make it in person:***

***[click here for Zoom link](#)***

***Meeting ID: 992 3986 7339***

***Passcode: 536209***

***The next meeting is scheduled for October 10, 2022 at 8:30 a.m.***

**University Council**  
**Monday, September 12, 2022**  
**East Tennessee Room/Zoom**

**I. Call to Order**

Provost McCorkle called the meeting to order at 8:31 a.m.

**2. Roll Call**

Joe Smith led the roll call. Members present were Dr. Richard Sander, Jeremy Ross, Dr. Deborah Slawson, Dr. Joel Faidley, Dr. Lisa Haddad, Dr. Janna Scarborough, Dr. Joe Bidwell, Stephen Hendrix, Dr. Ginni Blackhart, David Finney, Mason Mosier, Dr. Mark Fulks, Dr. Keith Johnson, Dr. Nick Hagemeyer, Dr. Sam Mayhew, Dr. Adam Green, Joy Fulkerson, Dr. Kimberly McCorkle, Dr. Tony Pittarese, Dr. Rob Pack, Dr. Arpita Nandi, and Dr. Mike Hoff.

**3. Standing Items**

*3.1 Approval of minutes from the August 8, 2022 meeting*

A motion was made to approve the minutes from the August 8, 2022 meeting. The motion was seconded; the minutes were approved by unanimous vote.

*3.2 Review of Agenda*

Provost McCorkle noted that President Noland is traveling and will not be giving his report. Also, Dr. Heather Levesque will present the enrollment report on behalf of Dr. Sam Mayhew.

*3.3 Consent Agenda*

Two items were included in the consent agenda. Both policies have been through an extensive review. No requests were made to remove either item from the consent agenda. A motion was made and seconded to approve the consent agenda. The motion passed unanimously.

*3.4 Call for Voluntary Reports*

*Faculty Senate:* President Blackhart gave a brief overview of recent presentations made to the Faculty Senate.

*Staff Senate:* President Fulkerson reported that the Senate would be seeking additional names for the ballot for Staff Senate elections.

*Council of Chairs:* Chairperson Slawson reported that training and other planned work activities were proceeding as scheduled.

*Intercollegiate Athletics:* Director Sander gave a report on fall sports that are currently competing.

*SGA:* President Mosier introduced a new member of the SGA staff and reported on the start of the semester

### *3.5 – Sub-Council Report from the Quality and Effectiveness Sub-Council*

Dr. Mike Hoff reported that the SACSCOC report had been submitted and commended Dr. Cheri Clavier on her work to bring the report together.

## **Action Items**

### *4.1 Old Business*

There were no old business items to discuss.

### *4.2 New Business*

There were no new business items to discuss.

## **Information Items/Presentations**

### *5.1 New Student Enrollment Update*

Dr. Heather Levesque gave a report on fall enrollment, which included 2,056 new student freshmen representing a 24.5% increase over the past two years. As expected, the number of transfer students was slightly down, while dual enrollment numbers were significantly up. Dr. Levesque credits much of the growth with dual enrollment to staff member Elizabeth Graham. She also noted that out-of-state enrollment has grown 70% during the past two years following the new out-of-state tuition reset.

Major enrollment activities from the past year that contributed to the current enrollment report include the personal communication from staff. She noted that current students made contact with students who applied. There was also a positive response from students who received swag from the university, and the digital engagement and marketing activities conducted in conjunction with University Marketing and Communication were extremely effective. Events hosted by the university where deans were present were also positively received. According to Dr. Levesque, key factors that influenced a student's choice to attend ETSU included location, low-cost tuition/scholarships, academic reputation of programs, and the small school environment.

Dr. Levesque also discussed the primary, secondary, and tertiary markets where recruitment efforts were guided. She noted that in addition to a redesign of the website, another improvement step that was implemented was that the admission decision process had gone from two weeks to complete to just one day. Pizza boxes are also being distributed in the Nashville area that include a QR code that students can use to apply to ETSU.

Many of these same activities will be replicated in the current recruitment cycle. Counselors are already traveling. For the upcoming year, more work will be done to strengthen relationships with community colleges.

### *5.2 Preliminary Enrollment Update*

Dr. Joe Chappell reviewed some of the same data that Dr. Levesque had presented, including the rise in dual enrollment. In terms of Race/Ethnicity, there is an increase in Asian and Hispanic students. The category of “unknown” is growing and Dr. Chappell is not clear why this is the case and how many of those students would fall into an underserved population. In terms of gender headcount, the proportion of male students has increased. Enrollment in some colleges is up for fall 2022.

### *5.3 Update on ETSU Peer and KPIs*

Dr. Hoff discussed how there are four types of peer institutions to consider: jurisdictional, competitor, aspirational, and peer. He discussed the analysis steps that were taken to identify new peer institutions and presented the current list that will be presented to the board. Two questions are standing: are these the right institutions, and do they contain the right mix of jurisdictional, competitor, aspirational, and peer? He also presented the new list of proposed key performance indicators, which he noted were heavily connected to enrollment. Other categories of performance indicators represented are student success, campus environment, fiscal sustainability, research and service, and stewardship of place. Dr. Hoff discussed the next steps and indicated that a report on institutional performance will be made at every board meeting.

## **6. President’s Report – postponed**

## **7. Announcements**

Dr. Keith Johnson reminded everyone about the upcoming Equity and Inclusion Conference in late September.

## **8. Adjournment**

Dr. McCorkle adjourned the meeting at 9:22 a.m.



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**MEMORANDUM**

**TO:** University Council

**FROM:** Michel Beaver, CPA, Associate VP Tax & Revenue Services, Harden Scragg, Staff Attorney and Assistant Policy Counsel

**DATE:** September 2, 2022

**RE:** Consent Agenda Item for September 12, 2022 Meeting  
*Revised General Purchasing Policy*

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**I. Introduction.**

East Tennessee State University (ETSU) is required by state and federal law to establish and maintain a system of internal control. The purpose of this policy is the establishment of procedures for obtaining goods and services. This policy has undergone the following substantive revisions:

- A. Subpart II(L) Fiscal Review, has been revised to reflect the ETSU Board of Trustees' March 24, 2017 delegation of authority to the President to run day-to-day operations, management, control, and to make necessary expenditures, personnel hires, or obligations on behalf of the University. Tennessee Code Annotated § 49-8-203 outlines the powers and duties of the Board of Trustees. As provided in the statute, the Board may delegate to [the] "chief executive officer of each respective institution such powers and duties as are necessary and appropriate for the efficient administration of the institution and its programs."
  
- B. A new subpart, II(M) Advanced Fiscal Review Exemptions, has been added to the policy in recognition that the State of Tennessee Fiscal Review Committee has carved out exemptions to advanced fiscal review for certain contracts and amendments entered into by higher education institutions. Instead, these exemptions require quarterly reporting by the institution.

A copy of the policy is attached.

**II. Legal Review.**

The Office of University Counsel completed its review of the initial policy on 03/28/2022, and completed its review of the revised policy on 08/14/2022. Counsel found no legal issues, conflicts, or inconsistencies with other ETSU policies or procedures

**III. Public Comment Period.**

The policy was posted from for public comment from 8/15/2022 to 8/29/2022. No comments were submitted during this period.

**IV. Recommendation.**

**IN CONSIDERATION** of all of the above and noting the lack of public comment, the Office of University Counsel, on behalf of the Office of Business and Finance, recommends **APPROVAL** of the *Revised General Purchasing Policy*.







General Purchasing Policy	
<b>Responsible Official:</b> Chief Financial Officer	<b>Responsible Offices:</b> Tax and Revenue Services

### Policy Purpose

East Tennessee State University (ETSU) is required by state and federal law to establish and maintain a system of internal control. The purpose of this policy is the establishment of procedures for obtaining goods and services.

### Policy Statement

This policy governs the purchasing process. For questions about the purchasing process you should contact the Procurement and Contracts Office.

#### I. Principles

- A. All purchases must comply with this policy and the laws of the State of Tennessee for the purchase of goods and services.
- B. The purchase must support the mission and purpose of the University.
- C. The purchase must not be personal in nature.
- D. The amount expended should be reasonable.
- E. Employees of the University serve the interests of the State of Tennessee and must comply with the University Conflict of Interest Policy (Section VI.C).
- F. The President of the University has delegated authority to the Associate Vice President for Tax and Revenue Services and the Manager/Director of Procurement and Contracts to make purchase commitments. The President of the University has delegated authority to the Associate Vice President for Tax and Revenue Services and the Manager/Director of Procurement and Contracts to sign contracts for the University when they are associated with purchase orders. No employee has authority to make any purchase commitment, enter into any contract for goods or services, or otherwise act with respect to third parties which may be construed as financially binding to the University except through the authority of Tax and Revenue Services, unless specifically authorized by other applicable University policy or in writing by the President. This policy applies to all expenditures of funds administered by the

University, regardless of origin. This policy does not apply to agency funds set up with ETSU Financial Services.

- G. The ETSU Standard Bid Terms and Conditions and the ETSU Code of Ethics in Procurement and Contracting (Section VI) are adopted as minimum standards in the procurement of goods and services.
- H. Except as specifically provided in other University policies and guidelines, authority pursuant to those policies shall not include the purchase or lease of real property, the purchase of insurance, or purchases for capital outlay projects from any fund source whatsoever.
- I. No employee of the University responsible for initiating or approving requisitions shall accept or receive, directly or indirectly, from any person, firm or corporation to whom any contract may be awarded, by rebate, gift or otherwise, any money or anything of value whatsoever, or any promise, obligation or contract for future awards or compensation. Whenever any contract/purchase order is awarded contrary to this provision, the contract/purchase order shall be void and of no effect, and if the violation was intentional, the employee responsible for the purchase shall be liable for any state funds paid contrary to this provision.

## II. **Purchasing**

- A. Planning a Purchase - In preparation of the purchase of goods and services, a clear description of the requirements or specifications is the basis for assuring that departmental needs will be met. The approving authority from the ordering department must assure that funds have been appropriated and are available for the purchase of materials, supplies, equipment or services prior to award of a contract. The ordering department is responsible for determining that all items to be purchased are necessary.
- B. Purchase Requisition Procedures - Purchase requisitions should be submitted online by accessing the University purchasing system. Purchase requisitions are submitted by the ordering department, approved by the appropriate officials and forwarded electronically to the Procurement and Contracts Office for processing into a bid or a purchase order.
- C. The purchase requisition should include, but not be limited to the following:
  - 1. Information describing the purpose of the acquisition, technical requirements, bidder qualifications, and any other information considered relevant to the goods or services being acquired. Whenever possible, all specifications for materials, supplies, equipment and services shall be worded or designed so as to permit open and competitive bidding.
  - 2. The quantity or number of articles or services required.
  - 3. The estimated cost of goods or services.

- D. Additional Purchasing Methods - In addition to the purchase requisition, other purchasing methods, such as the Procard and contract purchases may be available.
- E. Competitive Bidding and Specifications - All purchases valued at \$25,000 or more shall be based upon the principles of competitive bidding except as provided herein. The unit of analysis for application of the bidding threshold is the individual invoice, receipt, purchase order, estimate, etc. Primary responsibility for determining a single purchase is with the department. The Procurement and Contracts Office shall review purchases to ensure compliance with this Policy. Departments shall not intentionally divide invoices, receipts, purchase orders or estimates to stay below the \$25,000 threshold. Whenever possible, all specifications for materials, supplies, equipment and services shall be worded or designed so as to permit open and competitive bidding for the supplying of the articles, commodities or services to which they apply.
- F. Bidding is required when the total purchase amount is \$25,000 or more. A minimum of three bids is required when the total purchase amount is \$25,000 to \$75,000. Departmental personnel may contact sources of supply for quotes when the amount of the total purchase is \$25,000 but less than \$75,000. The Procurement and Contracts Office will assist in the development of specifications and provide capable suppliers upon request. The Procurement and Contracts Office is also available to obtain the bids. All bid information is to be attached as internal information on the purchase requisition in the University purchasing system. If available, furnish with the purchase requisition such specifications, catalog pages, brochures, or other data as will provide an adequate basis for determining the quality and functional capabilities of the products being requested.
- G. The Procurement and Contracts Office will issue bids for goods and services \$75,000 or more. Exception to this are construction contracts in which the Office of Facilities Management as the State Procurement Agent will route any construction contracts over \$100,000 to the Office of State Architect for approval. These contracts are signed by the President, Legal, and the Chief Financial Officer.
- H. The University shall actively solicit bids from small, minority, service-disabled veteran, and woman-owned businesses in order to obtain a fair proportion of goods and services from such businesses, whenever possible.
- I. Non-Competitive Purchases - Goods and services over the bid threshold may be procured without competitive bidding only if such purchases are justified in writing and approved by the President, Associate Vice President for Tax and Revenue Services, or Manager/Director of Procurement and Contracts.
- J. Emergency Purchases - Requests for purchases of specific materials, supplies, equipment, or services may be made in the open market for immediate delivery only to meet bona fide emergencies arising from any unforeseen cause. The President must approve all bona fide emergency purchase requests of \$750,000 or more. The Chief Operating Officer must approve all emergency purchases less than \$750,000. A written report on the circumstances of any such emergency justifying the purchase shall be prepared by the ordering department and maintained by the University. All emergency purchases shall, if practicable, be made on the basis of competitive bids.

- K. Contracts and Agreements - All contracts and agreements will be in conformance with ETSU policy on Contracts and Signature Authority and other State requirements.
- L. Fiscal Review- Certain procurements/contracts require approval by the Board of Trustees or the Board's designee, and the State of Tennessee Fiscal Review Committee. (Allow a minimum of 75 days prior to the effective date of the procurement agreement). This includes procurements/contracts that:
  - i are non-competitive and
  - ii are or have the potential of being for a period of more than one year; and
  - iii exceed \$250,000 in total value (including all potential renewals)
- M. Advanced Fiscal Review Exemptions – The State of Tennessee Fiscal Review Committee has established that certain categories of contracts and amendments entered into by higher education institutions are exempt from advanced fiscal review but, instead, must be reported to the State of Tennessee Fiscal Review Committee on a quarterly basis. The ETSU Office of Procurement and Contract Services shall maintain a list of and report any such exemptions to the State of Tennessee Fiscal Review Committee on a quarterly basis.
- N. Prohibited Transactions - No personal items shall be purchased through the University or from funds of the University for any employee of the University or any relative of any employee. Personal gifts for employees cannot be purchased with university funds. Whenever any contract/purchase order is awarded contrary to this provision, the contract/purchase order shall be void and of no effect, and if the violation was intentional, the employee responsible for the purchase shall be liable for any state funds paid contrary to this provision.

### **III. Special Purchasing Considerations**

- A. Business Meals – The University may pay or reimburse properly documented meals when the primary purpose is a business discussion. Business meals generally include at least one non-university employee. However, occasional gatherings of University employees may also be reimbursed as business meals. Expenses may be incurred only for those individuals whose presence is necessary to the business discussion.

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

Under no circumstances will alcohol expenditures be reimbursed. The University will deny reimbursement for meal expenses that lack documentation or a clear business purpose. Gatherings that are primarily social in nature do not qualify for payment or reimbursement as business meals.
- B. Faculty/Staff Recognition Events – Institutional funds may be used to purchase food and non-alcoholic beverages for recognition, appreciation and/or retirement events.

Expenses for these events must be reasonable. Recognition gifts and retirement plaques are allowable up to a reasonable value limit per employee/retiree recognized.

**IV. Examples of Purchases Not Allowed with University Funds**

- A. Gifts and flowers except for officially sponsored events and student activities
- B. Personal purchases for employees or students
  - 1. Professional license fees: including any Tennessee State Health Professional Board, or other state or national professional board licenses
  - 2. Memberships, Dues and Subscriptions: including any personal membership, dues, or subscriptions in the name of the individual, any civic organizations, or professional organizations in the name of an individual. To be allowed the fee has to be an Institutional fee in the name of ETSU, a college, or a department, not an individual.
  - 3. Purchases for office use: including decorations for private offices, coffee pots, microwaves, tissues, food, drinks, cups, plates, etc.
- C. Employee monetary awards/rewards: including cash, gift cards or gift certificates. Employee awards are provided using processes established in the Foundation and are paid through Payroll as extra compensation.

**V. Permitted Transactions for Non-Employees with University Funds**

- A. Honoraria
- B. Token of appreciation for service rendered - \$50 or less per person
- C. Incentives/Rewards for participating in research studies, surveys, or projects, or for attending events
- D. Promotional items for give-away in order to promote departments and departmental programs
- E. Gift cards: Gift cards are allowed to be purchased for payment to research participants only. Non-employee and non-resident alien research participant payments are limited to a maximum of \$50 per payment and a total payment of less than \$600 to any one research participant. The department must retain a copy of the research participant name, address, social security number and signature acknowledging receipt of the gift card. The Department must be able to show that all the gift cards were distributed. These records are subject to audit by the university and state. A request to purchase gift cards should be sent to Accounts Payable for a check to be issued to the vendor. University Procards cannot be used to purchase gift cards.
- F. Cash payments: Cash payments are allowed for research participants only. Non-employee and non-resident alien research participant payments are limited to a maximum of \$50 per payment and a total payment of less than \$600 to any one

research participant. Any individual research participant payment over \$50 must be processed through Accounts Payable via a check to the individual research participant. Complete the Cash Payment to Research Participants form and return it to Financial Services before any funds can be distributed. Research participant name, social security number, address and signature acknowledging receipt of the cash must be obtained. Differing from the use of gift cards, the petty cash receipts are returned to the Bursar's Office when the petty cash account is closed out at the end of a grant or when the fund is replenished. The receipts are retained in the Bursar's vault and are subject to audit by university and the state. Note: Whether gift cards or cash are distributed, a method of securing cards or cash is needed.

## **VI. Code of Ethics in Procurement and Contracting**

The code of ethics was developed by East Tennessee State University, approved by the Board of Trustees, and shall be applicable to all ETSU employees who are primarily responsible for the purchase of goods or services for the institution.

### **A. Statement of Policy**

1. Employees must discharge their duties and responsibilities fairly and impartially.
2. They also should maintain a standard of conduct that will inspire public confidence in the integrity of the institution.

### **B. General Standards of Ethical Conduct**

1. Any attempt to realize personal gain through public employment, inconsistent with the responsible discharge of that public employment, is a breach of public trust.
2. Employees shall base all purchases on the principle of competitive bidding consistent with policies of the Board and the institution.
3. Employees shall grant all competitive bids equal consideration, regard each transaction on its own merits, and foster and promote fair, ethical, and legal trade practices.
4. Employees shall not engage in bid-splitting by intentionally dividing orders for supplies and equipment into smaller quantities to avoid policy thresholds.
5. Employees shall avoid misrepresentation and deceitful practices, and demand honesty in sales representations whether offered through the medium of a verbal or written statement, an advertisement, or a sample of a product.
6. Employees shall be receptive to competent counsel from colleagues, and be willing to submit any major controversy through the appropriate appeals processes.
7. Employees shall accord prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.

8. Employees shall not use without consent the original designs developed by a vendor for competitive purposes.

C. Conflict of Interest

1. It shall be a breach of ethical standards for any employee, in the performance of the employee's official duties, to participate directly or indirectly in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter pertaining to any contract, or subcontract, and any solicitation or proposal thereof, in which to the employees' knowledge:
  - a. the employee or any member of their immediate family has a substantial financial interest; or
  - b. a business or organization in which the employee or any member of their immediate family has a substantial financial interest as an officer, director, trustee, partner, or employee, is a party; or
  - c. any other person, business, or organization with whom the employee or a member of their immediate family is negotiating or has an agreement concerning prospective employment is a party.
2. Direct or indirect participation shall include but not be limited to involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or in any other advisory capacity.

D. Gratuities

1. It shall be a breach of ethical standards for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment, in connection with any decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract and any solicitation or proposal thereof.

E. Contemporaneous Employment Prohibited

1. It shall be a breach of ethical standards for any employee who is involved in procurement to become or be, while such an employee, the employee of any party contracting with the particular governmental body by which the employee is employed.

Definitions

- A. **Conflict of Interest** - A conflict of interest occurs when the personal interests, financial or otherwise, of a person who owes a duty to the Board of Trustees or the University (all employees) actually or potentially diverge with the person's professional obligations to and the best interests of the Board of Trustees and University. 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 of greater than 1% interest to bid on any public contract for products or services for a governmental entity if such person or a relative of such person is a member of a board or commission having responsibility for letting or approving such contract. For purposes of this section only, "relative" means spouse, parent, sibling, or child. It is the policy of the University that no employee shall use their employment for personal benefit. Any appearance of favoritism or influence in doing business is prohibited.
- B. **Minority-Owned Business** - A continuing, independent, for-profit business which performs a commercially useful function and is at least 51% owned and controlled by one or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background.
- C. **Non-Competitive Purchases and Contracts** - Purchases and contracts made when items or services are unique and possess specific characteristics that can be filled by only one source.
- D. **Procurement Card** - The procurement card program available for purchases of goods less than \$5,000.
- E. **Service Disabled Veteran Business** - Tennessee service-disabled veteran means any person who served honorably on active duty in the Armed Forces of the United States with at least a twenty percent (20%) disability that is service-connected meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service. "Tennessee service disabled veteran owned business" means a service disabled veteran owned business that is a continuing, independent, for profit business located in the state of Tennessee that performs a commercially useful function, and is at least 51% owned and controlled by one (1) or more service-disabled veterans.
- F. **Small business** - A business which is independently owned and operated and is not dominant in its field of operation.
- G. **Surplus Property** - Any University property such as movable equipment or supplies (not real property such as land or buildings) a department determines to be excess to its needs and for which the department has no foreseeable requirement.
- H. **Unlawful Employee Activities** - It is unlawful for any employee to bid on, sell, or offer for sale, any merchandise, equipment or material, or similar commodity, to the state of Tennessee or to have any interest in the selling of the same to the state during that person's term of employment and for six



months thereafter (T.C.A. § 12-4-103). Disclosure of any such transaction by an employee or member of the employee’s family or by a business in which an employee or member of the employee’s family has any significant (more than 4%) ownership interest or for which an employee or employee family member serves as an officer is required by this policy. Family member includes the spouse and children (both dependent and non-dependent) of a person covered by this policy.

- I. **Woman - Owned Business**- A woman-owned business that is a continuing, independent, for-profit business which performs a commercially useful function, and is at least 51% owned and controlled by one or more women; or, in the case of any publicly owned business, at least 51% of the stock of which is owned and controlled by one or more women and whose management and daily business operations are under the control of one or more women.

Authority: T.C.A. § 49-8-203, et. Seq; T.C.A. § 9-2-102; T.C.A. § 9-18-102(a); Standards for Internal Control in the Federal Government (Green Book) GAO-14-704G

Policy History

Effective Date:

Revision Date: 3/21/2022

Procedure (s)

Procedure History

Scope and Applicability

Check those that apply to this policy and identify proposed sub-category.

	Governance	
	Academic	
	Students	
	Employment	
	Information Technology	
	Health and Safety	
X	Business and Finance	
	Operations and Facilities	

	Communications & Marketing	
	Advancement	



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**MEMORANDUM**

**TO:** University Council

**FROM:** Michel Beaver, CPA, Associate VP Tax & Revenue Services, Harden Scragg, Staff Attorney and Assistant Policy Counsel

**DATE:** August 9, 2022

**RE:** Consent Agenda Item for September 12, 2022 Meeting  
*Revised Student Fees and Charges Policy*

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**I. Introduction.**

This policy describes when student fees and other incidental fees will be charged. This policy is a TBR migration and was previously approved by University Council and the President on April 11, 2022. A revision has been made to Section III. (D).3: Technology Access Fee. This minor change aligns with the ETSU Information Technology Council's guidelines for use of Technology Access Fees. A copy of the policy is attached.

**II. Legal Review.**

The Office of University Counsel completed its review of the initial policy on 03/28/2022 and completed its review of the revised policy on 08/01/2022, and found no legal issues, conflicts, or inconsistencies with other ETSU policies or procedures

**III. Public Comment Period.**

The policy was posted from for public comment from 7/25/2022 to 8/08/2022. Six comments were submitted during this period:

1. Comment from David Adkins:

This revision doesn't mention the Student Library Fee. It needs inclusion.

Policy originator's response: The Student Library Fee is part of the General Student Activity Fee. The descriptions of the Program Service Fees have been updated.

2. Comment from Kathleen Eclay:

This comment is less about the fees themselves and more about who is required to pay which fees. I presume that ETSU invites senior citizens (over age 60) and veterans (of any age) to audit classes, tuition free, with the mission of community outreach and encouragement to these groups be intellectually engaged. Though some fees are waived (e.g. student activity fee) with the more recent addition of various other fees that are separate from tuition but still payable to audit a class, auditing classes has become much costlier, and discouraging for many seniors, especially for a science or studio arts class (\$50/credit [hour] adding up to \$200 for a class with lab) and/or if you are auditing an online course (\$130 flat fee). I have been told, but am not certain, that veterans may not have to pay these fees. The wording is vague on the website. I expect that ETSU intends to continue the good will offer of affordable auditing for senior citizens and perhaps the fee payment policy in this regard can be re-evaluated.,

Policy originator's response:

The fees commenter refers to are not eligible for exemption under T.C.A. § 49-7-113, T.C.A. § 49-7-102 and T.C.A. § 49-7-2304. These code sections only waive maintenance fees and do not address additional fees.

3. Comment from D S:

I personally am less worried about the collection of fees than I am about how they are being used. Fees and tuitions continue to rise, while the quality of the facilities deteriorates. Buildings are full of mold and still leaking every time it rains, lack of appropriate accessibility options not only for students but also for teachers, and how about the wasted resources of the numerous university-owned vehicles sitting around campus that have not even been moved in over a year. I realize this is not an actual comment on the policy, but these are things that should be considered when making these policies and wasting money on flashy items to impress the public while upperclassmen deal with improper facilities and equipment.

Policy originator's response: The comment provided by DS was not responsive to the actual policy posted and under consideration. Even so, it would be appropriate to respond by recognizing the work of ETSU Facilities Management and staff in support of facilities and grounds maintenance, planning, construction, renovation, environmental compliance, and campus safety and sustainability. It would also be appropriate to direct the commenter's attention to the multiple campus infrastructure, renovation, maintenance, and beautification projects accomplished and made possible by the fee for the [Facilities Improvement Fund](#).

4. Comment from Sharon McGee:

**1--Section III.B.2.** --"Undergrad and Graduate Admissions Office" should be changed to "Undergraduate Admissions and Graduate School"

Policy originator's response: Noted and changed.

**2--Section III.H.1 Application Fees**--the language in this proposed policy conflicts with the approved Graduate Admissions Policy. Please see Section VIII of that [policy](#), which reads:

*ETSU does not waive the application fee except in these circumstances: A. McNair Scholars receive an application fee waiver; B. **A currently enrolled ETSU graduate student seeking admission to an additional graduate degree or certificate program**; and C. On occasion, the Graduate School may provide a limited fee waiver as part of a special promotion at the discretion of the Dean of the Graduate School.*

The bold section indicates contradictory language, but the other waivers of application fees also could conflict with this policy. (All of these waivers, by the way, were discussed with Finance prior to proposal and went out for public comment as part of the policy before approval.)

Furthermore, Undergraduate Admissions often runs free application weeks. Will they no longer be able to do that?

Policy originator's response: The following line has been added to the **Policy in Section III.H.1 Application Fees**:

ETSU does not waive the application fee except in specific circumstances outlined in the Graduate School Admission Policy for Degree-seeking Students or when Undergraduate Admissions promotes a free application week/event.

**3--Section III.H.2 Late Registration Fees**--The last graduate deadline is August 10. In some cases, students may not receive an offer of admission with time to register by the first day of classes. In these cases, Graduate School has been able to inform Bursar and get the late fee waived. Will that no longer the case? That's fine, and if so, some graduate programs will need to move their application deadline earlier so students avoid a late fee.

Policy originator's response: The policy contains a section on Approval of Exceptions. The President can approve an exception for Graduate School late registration fees. This could possibly be done by memo giving Graduate School the authority to approve removal of the late registration fees in certain circumstances. Undergraduate Admissions could provide a similar memo for similar circumstances.

**4--Section III.H.3 Orientation Fee**---Currently, only undergraduates pay an orientation fee, not graduate students. Is the intent that Graduate Students also need to be pay an orientation fee? Or should the language be clarified to say students may be charged an orientation fee? or undergraduates are charged an orientation fee?

Policy originator's response: The word "Undergraduate" has been added to this section to be more specific.

**5**--Throughout the document, I am confused that 10 hours is considered full-time graduate enrollment. We have always considered 9 hours full-time enrollment. It would seem that this policy would change that??

Policy originator's response: The 10 hours referred to in this policy is in reference to when the hourly rate discount for maintenance fees begins. The following was clarified to specify that the definitions used here are for tuition rates. A separate hourly rate for out-of-state, Other US States, Border State & International tuition is set for undergraduate and graduate students. For tuition rates, a full-time student is defined as an undergraduate enrolled in twelve (12) hours or a graduate student enrolled in ten (10) hours.

5. Comment from Mark Edenfield:

ETSU charges a course fee for all courses in addition to the maintenance fee. The course fees are negating the intent of T.C.A. 49-7-113, allowing seniors to audit courses without charge.

These course fees are enumerated in proposed policy: “G. Miscellaneous Course Fees. Assessed for courses with additional requirements outside the normal instructional classroom or to provide additional support services to students (i.e., distance education fees, private instruction music fees, etc.)”

Since all classes have a course fee, it is being assessed irrespective of “additional support services to students”, in essence unbundling the maintenance fee.

Policy should recognize these fees as being exempt per T.C.A 49-7-113.

Policy originator's response: Response: The intent of T.C.A. § 49-7-113 is not to allow seniors to audit courses without *any* charge. The intent of T.C.A. § 49-7-113 is to allow seniors to “audit courses at any state-supported college or university without paying tuition charges, maintenance fees, student activity fees or registration fees; however, this privilege may be limited or denied by the college or university on an individual classroom basis according to space availability.” Course fees to provide additional support services to students are specifically not exempted under the statute.

6. Comment from Shella Bennett:

A potential issue is created when students' permanent addresses are changed as a result of NCOA. Student charges are based on residency coding, which are based on permanent address. Errors on census edit reports are created when permanent addresses change that contradicts the existing residency code.

Policy originator's response: We are aware of this issue and are currently pulling together a committee to address it.

#### IV. Recommendation.

**IN CONSIDERATION** of all of the above, the Office of University Counsel, on behalf of the Office of Tax and Revenue Services, recommends **APPROVAL** of the *Revised Student Fees and Charges Policy*.





Policy on Student Fees and Charges	
<b>Responsible Official:</b> Chief Financial Officer	<b>Responsible Office:</b> Tax & Revenue Services

### Policy Purpose

This policy describes when student fees and other incidental fees will be charged.

### Policy Statement

This policy governs the process of charging student fees and other incidental fees. Additional information about the student fees and other incidental fees can be found on the [Office of the Bursar's website](#). For questions about the student fee and other incidental fees process, a student should contact the Office of the Bursar.

#### I. Establishment of Fees, Fines, and Charges

- A. The ETSU Board of Trustees (Board) establishes or approves all University fees, fines, and charges, unless specific exceptions are provided.
- B. The President is responsible for the enforcement and collection of all fees, fines, and charges. Fees, fines, and charges which specifically do not require Board approval are required to receive formal approval by the President or designee.
- C. The University should attempt to follow a general format in publishing information on fees, fines, and charges, including, but not limited to, the following:
  1. All statements which include the fee amount should be complete and specific enough to prevent misunderstanding by readers.
  2. When a fee is quoted, the refund procedures should be clearly stated. If there are qualifying conditions for refunds (i.e., specific dates), those



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

3. It should be made clear that all fees are subject to change at any time.
- D. Current tuition and fee rates, fee payment dates, and refund procedures can be found on the [Bursar's webpage](#).

## II. Approval of Exceptions

- A. In accordance with this policy, the President or designee has the authority to determine the applicability of certain fees, fines, charges, and refunds, and to approve exceptions in instances of unusual circumstances or for special groups.
- B. All such actions shall be properly documented for auditing purposes.

## III. Tuition and Fees Subject to Board Approval

- A. Maintenance Fees. Charged to students enrolled in credit courses or on an audit basis. It is an enrollment or registration fee and is calculated based on the number of Student Credit Hours (SCH's).
  1. Rates are established by student level (undergraduate and graduate). The hourly rate is discounted when undergraduate students enroll in greater than twelve (12) hours and graduate students in greater than ten (10) hours, unless stated otherwise elsewhere in this policy.
  2. For multiple summer sessions, maintenance fees and tuition are assessed by using the current part-time rate with no maximum amount for total credit hours enrolled.
  3. Maintenance fees are not waived unless specific exceptions are outlined in state statute. T.C.A. § 49-7-113 provides exceptions for certain disabled and elderly students, as well as state service retirees; T.C.A. § 49-7-102 outlines certain exceptions for dependents and spouses of military personnel; and T.C.A. § 49-7-2304 provides exceptions for certain military reserve and National Guard personnel.
- B. Out-of-State, Other US States, Border State, & International Tuition fees. These are additional fees charged to students classified as non-residents in these categories who are enrolled in for-credit courses, including audit courses. This fee is in addition to the maintenance fee.

1. A separate hourly rate for out-of-state, other US states, border state & international tuition is set for undergraduate and graduate students. For tuition rates, a full-time student is defined as an undergraduate student enrolled for twelve (12) hours or a graduate student enrolled for ten (10) hours.
  2. Applicability of additional tuition is determined pursuant to Admissions classification of residency. The Business Office collects fees based upon student classification as determined by the Undergraduate Admissions and Graduate School.
- C. eRate. Available to students who enroll at ETSU, who are classified as non-residents of Tennessee, and who are enrolled exclusively in online courses.
1. The eRate is one hundred fifty percent (150%) of the University's approved undergraduate or graduate maintenance fee.
  2. The hourly rate is not be discounted for students receiving the eRate and enrolling in greater than twelve (12) undergraduate hours or ten (10) graduate hours.
  3. To qualify for an eRate, students are required meet all University admission requirements and be verified as an online out-of-state student enrolled exclusively in courses delivered online by a procedure documented by the University. Out-of-state students refers to geographic location and does not include undocumented students living in Tennessee.
  4. Students enrolled in any type courses other than online (on-ground, telecourse, distance education, etc.) are not eligible for the eRate specified in this policy and instead incur traditional non-resident fees and charges.
- D. Program Services Fee. A fee charged to students to support the following programs of the University:
1. Debt Service. Debt service fee revenue is used to retire debt on various capital projects of the University. At the conclusion of the debt retirement for a given project, the debt service fee attributed to the project ceases. Any new project requires the approval of a new debt service fee on its own merits without the reallocation of any existing fee. Any continuation of fees necessary for renewal and replacement of a project for which the debt is totally retired is approved for that purpose by the Board.
  2. Student Government Activity Fee. A student government activity fee is established pursuant to T.C.A. § 49-8-109. Any increase in this fee is subject

to a referendum pursuant to T.C.A. § 49-8-110 for student body approval or rejection. The fee is administered in accordance with the provisions adopted by the University. These fees are to be recorded as restricted revenue.

3. Technology Access Fee. Assessed by the University for the purpose of providing student access to computing and similar technologies. The revenue from Technology Access Fees (TAF) should be used by the University for direct student benefit, for items such as new and improved high technology laboratories and classrooms, appropriate network and software, computer and other equipment, and technological improvements that enhance instruction. Regulation and spending of Technology Access Fees are administered by the Information Technology Council governance process.
4. General Access Fee/Parking Fee. Assessed to all students each academic term for services provided related to graduation, registration, international education, and parking services.
5. Facilities Fee. Used to improve facilities and fund expenditures such as replacing carpets in student lounges, remodeling classrooms, providing matching funds for new academic building projects, etc. The fee is used to make improvements to areas that have an impact on students.
6. Student Activity – Center for Physical Activity. Used to improve facilities and fund expenditures related to operating the recreation center for student, faculty, staff, and alumni use. The Center for Physical Activity is an auxiliary fully funded by this fee and by sales revenue from fitness programs, locker rental, facility rental, etc.
7. Sustainable Campus Fee. A project voted on and approved by the students to support ETSU's participation in the TVA Green Power Switch program and clean energy initiatives on campus. A campus committee reviews proposals and assigns the funds to various projects.
8. Athletics Fee. A fee used to support athletics which allows students access to all athletic events with no additional entrance fee. This fee, along with general fund support from the education and general fund, ticket sales, game guarantees, concessions, etc. fully supports athletics.
9. General Student Activity Fee. Used for Culp Center programming, Child Care Center, Sherrod Library, health clinic, sports clubs, ID Bucs, Counseling Center, Wellness Center, and Career Center.

E. Specialized Academic Course Fees. Certain academic programs require expensive maintenance/updating of equipment and software and the employment of highly qualified staff. The high costs of instruction for these programs can be offset by establishing specialized academic fees, with the Board's approval. Specialized academic course fee revenues are limited to funding only the related costs for providing these courses. To receive approval for a specialized academic fee, a program is required to submit documentation to establish that the following criteria are met:

1. High Cost of Instruction. Programs qualifying for charging specialized academic fees have demonstrated that they are more costly than other programs offered by the University. If appropriate, the extraordinary cost of the program is validated including benchmarking with similar programs in the region and nation.
2. High Demand. The number of students enrolled in the program and the student credit hours generated are sufficient to justify additional fees.
3. High Cost of Updating/Maintaining Equipment and Software. Programs qualifying for charging specialized academic fees are expected to be those that require extensive maintenance and regular updating of equipment and/or software, all of which are very expensive. An average hardware/software cost per student credit hour serves as the basis for determining the amount of the fee.
4. Accreditation. Meeting standards of specific accrediting agencies also qualify a specialized program for charging specialized academic fees. The accrediting standards that justify a fee are those that specify the possession and use of certain equipment and unique software that are extraordinarily costly and/or the employment of faculty with specific credentials that demand high salaries.
5. High Recognition and Quality. The programs approved for specialized academic fees are expected to be distinctive and with a regional or national reputation. The program has to demonstrate that it has achieved exceptional recognition in its particular enterprise.
6. High Value to Tennessee. The program has to demonstrate that it is a good investment for the State of Tennessee to justify charging extra fees to the student. The program should be distinctive and of integral value to Tennessee. The graduates' earning potential and the associated benefit to the state economy should be projected, as well as the efforts taken by the University to aid graduates in finding appropriate employment in Tennessee.

7. Impact on Affected Students. Through surveys, questionnaires, or other suitable means, the program has to demonstrate that the charging of additional fees does not diminish enrollment. The program should demonstrate that enrolled students realize that the potential earning power in the work force justifies their additional investment.
- F. Materials Fees. A fee charged for certain academic labs requiring students have specialized consumable materials. These supplies should be consumable products that the student consumes during the semester. Non-hazardous materials can possibly be retained by the student at the end of the semester. Each request should include course number and a list of expendable supplies that are to be purchased as a convenience to the students. It should be financially advantageous to students for the University to purchase the course materials.
- G. Miscellaneous Course Fees. Assessed for courses with additional requirements outside the normal instructional classroom or to provide additional support services to students (i.e., distance education fees, private instruction music fees, etc.)
- H. Other Fees, Fines, and Charges.
1. Application Fee. This is a non-refundable fee paid by an individual who applies for admission to the University. A student is required to pay this fee when he/she applies for admission as a graduate student even if the student attended another institution as an undergraduate student. Additionally, the student is required to pay this fee when he/she applies for admission to a doctoral-level program after receiving a masters-level degree from the institution. ETSU does not waive the application fee except in specific circumstances outlined in the Graduate School Admission policy for Degree-seeking Students, or when Undergraduate Admissions promotes a free application week/event.
  2. Applied Music Fees. This fee is charged for private music lessons or small group training sessions. It is refundable on the same basis as maintenance fees or as established by the University.
  3. Late Registration Fee. A late registration fee is charged to students registering on or after the first day of the term or part-of-term.
  4. Orientation Fee. An orientation fee is charged to incoming undergraduate students and their family who attend Orientation.
  5. Study Abroad Fee. Students participating in Study Abroad are charged a fee to cover a range of services available to them before, during, and after

their abroad program. It also covers the Study Abroad online application fees.

6. Deferred Payment Plan Late Fee. Students who do not pay their installment plan payments by the due date are charged a late fee each month they are late.

#### **IV. Fees, Fines, and Charges to be Established and Administered by the University**

The following fees, fines, and charges are established and administered by the University. No specific approval or notification to the Board is required, unless subject to other Board or State requirements. These charges should be governed by an approved contract and/or approved by the Provost or the appropriate Vice President. The University establishes appropriate refund policies. Approval documents should be sent to the Office of Business and Finance.

- A. Sales of goods and services of a commercial nature, including bookstores, food services, vending, laundry, and similar activities.
- B. Rental of non-student housing and facilities.
- C. Admissions fees to athletic and other events open to the public, including special events sponsored by campus organizations and activities.
- D. Sales and services of educational activities such as clinical services, publications, etc.
- E. Registration for conferences, institutes, and non-credit activities.
- F. Fees for use of campus facilities for recreational purposes.
- G. Nonrefundable library fines, which apply to students, faculty, staff, and other library users.
- H. Thesis and dissertation fee - nonrefundable. This fee determined based upon cost to the University.
- I. Child Care Fees. Kindergarten, preschool, early childhood, day care, or similarly defined activities.
- J. Special Exam Fee - nonrefundable. This fee is determined based upon cost to the University (i.e., certification fees, etc.).

- K. Standardized Test Fees - nonrefundable. This fee is determined based upon the cost for administering the tests.
- L. Identification Card Replacement - nonrefundable. There is no charge for the original identification card. A fee is set by the University to offset the cost of replacing the card.
- M. Returned Check Fee. The University charges a nonrefundable returned check fee that is the maximum set by state law. This fee applies to all returned checks received by the institution, whether from students, faculty, staff, or other parties.
- N. Diploma Fee. Students wanting a second (2<sup>nd</sup>) copy of their diploma are charged for the reproduction.

#### **V. Deposits**

A deposit has been established by the University for rent or lease of buildings and facilities, or for the issuance of other University property or equipment. Deposits should be subject to a one hundred percent (100%) refund if no damage or loss occurs. The amount of such deposits should be related to the value of the facilities or equipment subject to loss and the general ability of the University to secure reimbursement should loss or damage occur.

#### **VI. Student Residence Halls and Apartments**

All regular and special rental rates for student dormitories and student apartments are approved by the Board upon the recommendation of the University. The Housing Office recommends special rates for non-student groups during summer periods, etc.

#### **VII. Other Fee and Charge Considerations**

- A. Fees are established to control the utilization of facilities and services or to offset the cost of extraordinary requirements as a result of specific programs or activities.
- B. When fees and charges are incorporated in agreements with outside contractors and vendors, specific rates, refunds, and conditions are clearly stated.
- C. Fees for auxiliary services take into consideration that auxiliary enterprises should be a break-even operation with rates and charges generating revenue sufficient to cover all expenses as defined in operating budget policies.

- D. Fees established for non-credit courses and activities are required to be sufficient to cover the total costs incurred in providing instruction plus a minimum of twenty-five percent (25%) of the annual instructional salary costs including contractual salary costs or personal services contracts.
- E. Students enrolled for six (6) or more hours are eligible for full-time privileges, i.e., access to social, athletic, and cultural functions, pursuant to T.C.A. § 49-8-109.

**Authority:** T.C.A. § 49-8-203 et. Seq; § 49-7-102, § 49-7-113, § 49-7-2304, § 49-8-109, and § 49-8-110

Defined Terms

Policy History

Effective Date:

Revision Date: 5/20/2022

Procedure (s)

Procedure History

Effective Date:

Revision Date: 5/20/2022

Related Form(s)

Scope and Applicability

Check those that apply to this policy and identify proposed sub-category.



	Governance	
	Academic	
	Students	
	Employment	
	Information Technology	
	Health and Safety	
	Business and Finance	x
	Facilities and Operations	
	Advancement	