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| System-wide Policy: | |
| FI0640 - Reports on Discretionary Spending for Senior-level Administrators | |
| Version: 2 | Effective Date: 10/31/2023 |

SECTION 1. Policy Statement

I. Reporting Requirements

- A. Tennessee Code Annotated § 49-14-104 requires that the University produce discretionary spending reports and submit to the Board of Trustees. Discretionary expenses are purchases made at the direction of the President/Chancellor for purposes that are not part of general office expenses, recurring campus operations, or strategic investments in campus programs. Examples of discretionary expenses include, but are not limited to: special projects, campus events, entertainment, and honorariums; as well as any expenses from gift/endowment funds established specifically for discretionary spending.
- B. On a quarterly basis, each campus, institute, and unit must compile a list of expenditures that:
 1. Are not part of the President's or Chancellor's operating budget; and
 - a) Benefit the President or Chancellor in some manner; or
 - b) Were incurred by them; or
 - c) They directed the expenditure to be incurred.
- C. The list must include expenditures from any source, including but not limited to: University funds, foundation funds, athletic department funds, sponsorship fees, licensing revenues, royalty payments, and other funds that would not be included in the operating budget for the President or Chancellor.
- D. The list must include a separate line for each expense and include at least all of the following details:
 1. The date of the expense;
 2. The source of funds;
 3. The name of the University account charges;
 4. The vendor;
 5. Description of the expense (including the purpose of the expense); and
 6. The amount.

II. Submitting Reports

- A. Campuses, institutes, and units must submit their list to the Office of the Chief Financial Officer or designee.
- B. The Office of the Chief Financial Officer will submit a comprehensive list of reported expenditures to the Board of Trustees' Audit Committee annually.

SECTION 2. Reason for the Policy

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This policy facilitates the University’s compliance with T.C.A. § 49-14-104.

SECTION 3. Scope and Application

This policy applies to all University chancellors and the president.

SECTION 4. Procedures

The University has not issued procedures under this policy.

SECTION 5. Definitions

N/A

SECTION 6. Penalties/Disciplinary Action for Non-Compliance

Failure to comply with this policy could result in adverse human resources actions, up to and including termination.

SECTION 7. Responsible Official & Additional Contacts

| Subject Matter | Office Name | Telephone Number | Email/Web Address |
|-----------------------------------------|--------------|------------------|-----------------------|
| Policy Clarification and Interpretation | Blake Reagan | 865-974-3971 | Breagan@tennessee.edu |

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SECTION 8. Policy History

Revision 1: 10/01/2017

SECTION 9. Related Policies/Guidance Documents

BT0028 - Discretionary Expenditure Reporting for the President and Chancellors.
