# 4.03.03.60 Reports of Expenditures by the Chancellor and Presidents

## 4.03.03.60 Reports of Expenditures by the Chancellor and Presidents

### Policy/Guideline Area

Business and Finance Policies

### Applicable Divisions

Community Colleges, System Office

### Purpose

To comply with T.C.A. § 49-14-104, which requires a policy establishing at least annual reporting of discretionary expenditures made by, at the direction of, or for the benefit of the Chancellor or system presidents. To comply with T.C.A. § 49-7-3001, which requires risk-based internal financial audits of the offices of the chancellor and presidents.

### Definitions

- Discretionary Expenditures – T.C.A. § 49-14-104 states that "it is the legislative intent that the policy require the report of discretionary expenditures, which shall include, but not be limited to, those made from unrestricted gifts, foundation funds, athletic funds, sponsorship fees, licenses and royalty funds and other such funds that would not be included in the operating budget for the chancellor's or the president's office."

### Policy/Guideline

I. Quarterly Reports of Expenditures

   A. The Chancellor and each president shall provide a quarterly report of the expenditures made by, at the direction of, or for the benefit of the Chancellor or president, in a format provided by the system office.

B. The report will include expenditures from any source of funds, including but not limited to, institutional funds, foundation funds, unrestricted gifts, athletic funds, sponsorship fees, licensing revenue, royalty funds and any third-parties.

C. The report will be submitted following the end of each quarter to the TBR Office of Business and Finance.

II. Administrative Review of Expenditures

A. The TBR Office of Business and Finance will compile the quarterly reports and provide them to the Office of System-wide Internal Audit.

B. The TBR Office of System-wide Internal Audit will review the reports quarterly and provide a comprehensive report of the expenditures to the Audit Committee of the Board of Regents at least annually.

III. Audits of Expenditures

A. The TBR Office of System-wide Internal Audit will select a sample each year of the offices of the Chancellor and the presidents of the institutions comprising the system and direct risk-based internal financial audits of those offices. At least thirty percent (30%) of such offices shall be audited for any given fiscal year.

B. The results of the internal financial audits performed will be presented to the Audit Committee of the Board of Regents for review and made available to the president's council or other sub-councils as needed.

C. The results of the internal financial audits performed will be provided to the Comptroller of the Treasury by December 1 each year.

## Sources

### Authority

T.C.A. § 49-8-203; T.C.A. §§ 49-14-104, 49-7-3001

### History

New Policy approved at Board Meeting, December 11, 2014.