



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

FINANCE AND ADMINISTRATION COMMITTEE CHARTER

PURPOSE

The Finance and Administration Committee assists the Board in (i) overseeing the University's finances, operations, facilities, and Health Science Center clinical activities; and (ii) ensuring that the University operates within available resources and applicable laws and policies in a manner supportive of the University's strategic plan. The Committee has the specific responsibilities included in this committee charter approved by the Board.

RESPONSIBILITIES

The Committee is responsible for formulating and recommending action or necessary policies in all matters relating to finance, business, and administration, including the investment of University funds. Specifically, the Committee shall recommend to the Board of Trustees, or to the Executive Committee when necessary between meetings of the Board, the following and similar matters within the scope of the Committee's purpose¹:

1. Guidelines to govern the administration's submission of a proposed annual operating budget and appropriation request to state agencies and officials;
2. The University's final operating and capital budgets for the fiscal year (after the General Assembly has enacted annual appropriations for the University);
3. Student tuition and fees for which Board approval is required by Board policy and any proposal for waiver or discount of student tuition and fees unless mandated by state law;

¹ Under the Bylaws of the Board, and in the absence of objection by the committee chair, the Chair of the Board may designate any of the listed matters for deliberation and action at a meeting of the Board without prior review and recommendation of the committee.

4. The process through which each campus advisory board must provide a recommendation to the President on the proposed annual operating budget, including tuition and fees, as it relates to the respective campus;
5. Any policies to improve the availability of financial aid deemed necessary and in the best interest of students, the University, and the state following a periodic evaluation of student financial aid in relation to the cost of attendance;
6. The University's compensation plan and any benefit programs requiring Board approval;
7. The University's requests for capital funding from the State of Tennessee (e.g., capital outlay, maintenance, and demolition) prior to their submission to other state agencies and officials;
8. Construction of buildings and other capital improvements to be funded by revenues or other institutional funds not specifically appropriated by the State of Tennessee, subject to final approval by the State Building Commission (the "Commission") as may be required;
9. With the prior approval of the Tennessee State School Bond Authority, borrowing of money for the purpose of erecting buildings, acquiring real estate, or cooperating with agencies of the United States and issuing evidences of indebtedness for those purposes;
10. A facilities master plan for each campus and institute;
11. Acquisition of any interest in real property, including acquisition by gift or devise if the acquisition obligates the University or the State of Tennessee to expend state funds for capital improvements or continuing operating expenditures, subject to final approval by the Commission as may be required;
12. Sale or other disposal of real property owned by the University, subject to final approval by the Commission as may be required;
13. Naming of facilities and other assets of the University, including institutes, colleges, schools, and departments, except as may be delegated to the administration from time to time by Board policy;
14. Creation of legal entities that will bear the University's name and the governance structure of such entities;
15. Proposals to implement a voluntary retirement incentive plan for a campus or institute or for a particular unit within a campus or institute;

16. Policies relating to the University's finances, operations, and facilities for which Board approval is necessary or deemed appropriate by the Committee, including without limitation policies governing approval of student tuition and fees, cash management, debt management, investment of University funds, and operation of University aircraft; and
17. University rules required to be promulgated under the Uniform Administrative Procedures Act, except rules governing student conduct, rights, and responsibilities, which shall be recommended by the Education, Research, and Service Committee.

Other Responsibilities

The Committee shall review the University's debt obligations annually.

The Committee Chair, in consultation with the Chief Financial Officer, shall review the committee charter prior to each Annual Meeting of the Board to determine whether the Committee is carrying out its responsibilities effectively and whether any revisions to the charter should be submitted to the Committee for recommendation to the Board.

MEMBERSHIP

The Finance and Administration Committee shall consist of the following members:

1. At least three (3) voting members of the Board; and
2. Chair of the Board as an ex officio, voting member of the Committee.

The President shall not serve as a member but shall attend meetings if requested by the Committee Chair.

Committee members and the Committee Chair shall be appointed by the Board of Trustees at the Annual Meeting on the recommendation of the Chair of the Board. The term of appointment shall be two years, beginning July 1 of the first year and ending June 30 of the second year. If a vacancy occurs prior to expiration of the two-year term, the Chair of the Board shall appoint a member of the Board to fill the remainder of the term. If appointments or reappointments to the Board of Trustees are pending at the end of the two-year term, the committee and committee chair appointments shall continue beyond the end of the term until all vacancies on the Board have been filled and the Board has made new standing committee and committee chair appointments. The Committee Chair may not serve more than three (3) consecutive two-year terms as chair except upon an affirmative roll-call vote of a majority of the total voting membership of the Board.

The Chief Financial Officer shall provide staff support for the Committee.

MEETINGS

Required Number, Call, and Location

The Committee shall meet as often as necessary to carry out its responsibilities but at least once annually. The Committee may meet in conjunction with regular meetings of the Board of Trustees, at stated times approved in advance by the Committee, or at any other time upon a call by the Chair of the Board, the President, the Committee Chair, or by the Secretary upon the written request of two members of the Committee. Committee meetings may be held at any location in the State of Tennessee.

Notice

At least five (5) days' notice shall be given to all Committee members when feasible, but less notice may be given when there is a need for urgent action. Notice may be delivered by postal mail, courier, electronic mail, or facsimile transmission. If written notice is not feasible, by reason of urgency or other exigent circumstance, notice may be given by telephone.

As required by Tennessee Code Annotated § 8-44-103(a) and (b), adequate public notice shall be given of Committee meetings. All meetings of the Committee shall be open to the public unless otherwise provided by the Tennessee Open Meetings Act or a judicially-recognized exception to the Act.

Agenda

An agenda shall accompany the notice of every Committee meeting when feasible, but when not feasible, the notice shall state the purpose or purposes for which the meeting is called.

Development of the Committee agenda shall be the responsibility of the Committee Chair in consultation with the President and the Chief Financial Officer. The agenda shall list in outline form each matter to be considered at the meeting. The Committee may use a consent agenda in the manner provided by the Bylaws of the Board of Trustees. Items not set forth on the agenda or in the meeting notice may be considered only upon an affirmative roll-call vote of a majority of the total voting membership of the Committee.

Quorum

A quorum shall be a majority (more than one-half) of the voting members of the Committee. The Chair of the Board, who is an ex officio, voting member of the Committee, shall be counted for quorum purposes only when present. In the absence of a quorum, those attending may adjourn the meeting until a quorum is present.

Action of the Committee

The action of a majority of the quorum of voting Committee members present at any meeting shall be the action of the Committee, except as otherwise provided in the Bylaws of the Board of Trustees, Board policy, or statute.

Minutes

The Secretary shall be responsible for ensuring that minutes are prepared and maintained for all Committee meetings, and the minutes shall be provided to all members of the Committee before the next meeting of the Committee.