



EAST TENNESSEE STATE
UNIVERSITY

**Audit of Expenses related to
the Function of the President Policy**

Policy Name: Audit of Expenses related to the Function of the President

Policy Purpose

This policy specifies the requirements under Tennessee Law related to the reporting of expenditures by the Office of the President of East Tennessee State University.

Responsible Official, Office, and Interpretation

The Audit Committee of the Board of Trustees in consultation with the Chief Audit Executive is responsible for the review and revision of this policy. For questions about this policy, please contact the Secretary of the Board of Trustees. The Board of Trustees, in consultation with the Office of University Counsel, has the final authority to interpret this policy.

Defined Terms

A defined term has a specific meaning within the context of this policy.

DISCRETIONARY EXPENDITURES

Discretionary Expenditures include, but are not limited to, 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 system head's or chief executive's office.

Policy Effective Date: 11/17/2023
Procedure Effective Date: N/A

Policy Name: Audit of Expenses related to the Function of the President

Policy

It is the policy of the East Tennessee State University (ETSU) Board of Trustees to require internal financial audits of the Office of the President.

1. Semi-Annual Report.

The Office of the President shall provide a semi-annual report to the ETSU Office of Internal Audit. The first report for the period of July 1st-December 31st will be due to the Office of Internal Audit by February 1st. The second report for the period of January 1st-June 30th will be due to the Office of Internal Audit by July 31st.

The report shall: (1) include the expenditures made by, at the direction of, or for the benefit of the president; (2) include Discretionary 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 third-parties; and (3) be in a format as provided by the ETSU Office of Internal Audit.

2. Internal Audit Result.

The ETSU Office of Internal Audit will review the semi-annual reports and will provide an update annually to the Audit Committee of the ETSU Board of Trustees.

On or before December 1 of each year, the results of the President expenditures audit from the previous fiscal year will be provided to the Comptroller of the Treasury by ETSU's Office of Internal Audit.

Policy Effective Date: 11/17/2023
Procedure Effective Date: N/A

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Authority and Revisions

Authority: T.C.A. §§ 49-8-203, 49-14-104, and 49-7-3001.

Previous Policy: N/A

The ETSU Board of Trustees is charged with policy making pursuant to TCA § 49-8-203, et seq. This policy may only be revised by the Board of Trustees. Before a substantive change to the policy section may take effect, the requested changes must be: (1) presented to the Audit Committee of the Board of Trustees for review and approval; and (2) if approved by the Audit Committee, presented for a vote of the Board of Trustees and approved by a majority of the Board of Trustees. The Secretary of the Board will provide a notification to the Board of Trustees if a technical revision to this policy is implemented or a revision to the procedure section is implemented.

Policy Effective Date: 11/17/2023
Procedure Effective Date: N/A