



EAST TENNESSEE STATE
UNIVERSITY

Organizational Relationships and Governance

Responsible Official: Vice President for
University Advancement

Responsible Office: University Advancement

Policy Purpose

- This policy serves as a guide to the structure of organizational relationships and governance for operational authority and responsibilities.
- It also provides information to other ETSU stakeholders regarding ETSU's accountabilities and reporting authorities.
- It provides information regarding interactions between the various organizations and how they relate to fundraising activities.

Policy Statement

N/A

Definitions

N/A

History

Effective Date: 02/07/2018

Revision Date:

Revision Notes: N/A

Procedure (s)

- I. **Background.** East Tennessee State University was founded in 1911, authorized through actions of the State of Tennessee Legislature. Since its inception in 1911, the institution has expanded and has operated under multiple names:
 - A. 1911 East Tennessee State Normal School
 - B. 1925 East Tennessee State Teachers College
 - C. 1930 State Teachers College, Johnson City
 - D. 1943 East Tennessee State College
 - E. 1963 East Tennessee State University
 - F. More information available at <http://www.etsu.edu/facts/>

- II. **Overview.** Statutory responsibility in the Tennessee State Government structures has been provided under the guidance of a variety of education-focused offices or units, including through the state Department of Education. The Tennessee Higher Education Commission served as a coordinating unit to assure adequate balance and distribution of higher education resources throughout the state between the delivery systems of the University of Tennessee, the six state universities, and the remaining public post-secondary education units. The creation of the State University and Community College System of Tennessee united those institutions not part of the UT system. Commonly it is referred to as the "Board of Regents," or as it is known today as the Tennessee Board of Regents (TBR). The 2016 FOCUS Act allowed for significant change in governance with the separation of six TBR universities from TBR and the establishment of local oversight by an appointed Board of Trustees at each of the six institutions.
- III. **Tennessee Higher Education Commission (THEC):**
- A. Created in 1967 by the Tennessee General Assembly to achieve coordination and foster unity with regard to higher education in the state. The Commission (or THEC) coordinates and provides guidance to the institutions governed by the University of Tennessee Board of Trustees, the six locally-governed state universities, the community colleges, and colleges of applied technology governed by the Tennessee Board of Regents. There are currently nine public universities, two special purpose institutes, 13 community colleges, and 27 colleges of applied technology in Tennessee that serve approximately 250,000 students.
 - B. THEC has long been responsible for higher education governance policy by proposing the annual budget for state financial aid, recommending tuition ranges, executing the outcomes-based funding formula, and preparing a prioritized list of capital outlay projects. The FOCUS Act augments and enhances the role of THEC in these areas.
 - C. The FOCUS Act upholds the THEC mission of developing, tracking, and incentivizing a statewide master plan for higher education. *Drive to 55* serves as the guiding initiative by which postsecondary priorities are established and progress is measured. While FOCUS empowers universities to oversee their own curriculum, program development, budgeting, procurement, and tuition and fee levels, state priorities are reinforced by delegating specific guidance and approval responsibilities to THEC. The Commission has been working with TBR and campus personnel to identify new and changing responsibilities, assess institutional capacity, and clarify duties related to academic affairs, fiscal policy, data, and government relations.
 - D. The Commission is composed of nine voting members appointed from the general public, each serving six-year terms and representing the three grand divisions of the state equally; three Constitutional Officers who are ex-officio voting members (Comptroller of the Treasury, State Treasurer, and Secretary of State); two ex-officio student members; and the Executive Director of the State Board of Education, as an ex-officio non-voting member. <https://www.tn.gov/thec/section/about-the#csthash.cbWTwNvd.dpuf>
 - E. As the coordinating board and oversight body for the institutions, it is in the purview of THEC to establish percentages of capital projects that may have necessary fundraising

requirements as well as suggest institutional fundraising percentages as compared to overall budgets or educational and general (E&G) budgets.

IV. Tennessee Board of Regents (TBR):

- A. TBR was created in 1972 by the General Assembly as the governing body of the State University and Community College System of Tennessee. At that time, the member institutions of the system were the six state universities and ten community colleges formerly governed by the Tennessee Board of Education. In 1983, the General Assembly transferred the technical institutes and area vocational schools (now called Tennessee Colleges of Applied Technology) to the Tennessee Board of Regents. The University of Tennessee is a separate system with its own Board of Trustees. The Board of Regents and the UT Board of Trustees are coordinated by the Tennessee Higher Education Commission.
- B. The composition of the Tennessee Board of Regents is set forth in Tennessee Code Annotated 49-8-201. The board consists of 18 members: 12 lay citizens appointed for six-year terms by the governor, with one each from the state's nine congressional districts and three grand divisions; one faculty member from among the system institutions appointed by the governor for a one-year term; one student from among the system institutions appointed by the governor for a one-year term; and four ex-officio members – the Governor of Tennessee, the Commissioner of Education, the Commissioner of Agriculture, and the Executive Director of the Tennessee Higher Education Commission, who is a non-voting member.
- C. The TBR, in its former authority and oversight role for the six universities, established percentages of capital projects that may have necessary fundraising requirements as well as suggested institutional fundraising percentages as compared to overall budgets or E&G for evaluation of institutional success and as well as a president's performance.

V. ETSU Board of Trustees:

- A. In 2016, the FOCUS Act supported Tennessee's education attainment goals by helping higher education institutions and systems best support the needs of their students. The Act provides greater autonomy for universities in pursuit of innovation and differentiation, while allowing TBR to sharpen its attention on technical and community college success. At the core of FOCUS is a belief that increasing the number of Tennesseans with a postsecondary credential, demands increased agility on the part of the six TBR universities, with an understanding that this nimbler approach must be deployed within the broader context of the State's higher education policy agenda. <https://www.tn.gov/thec/topic/focus-act#sthash.Ajl6ao77.dpuf>
- B. The FOCUS Act outlines a process and condensed timeline for naming and seating board members for each of the locally governed institutions (LGI). Board appointments will be made by the Governor of Tennessee. Meanwhile, university faculties have been asked to develop a process for selecting a board member from their ranks. The appointments will pass through the General Assembly for confirmation during the legislative session. After all members have been confirmed, university boards assume management and governance of their respective institutions upon the board's first meeting, as called by the Governor. See Tenn. Code Ann § 49-8-201(f)(7)(B)(i).

- C. The governing boards will be asked to evaluate capacity for independent management of these responsibilities and communicate their intentions to THEC. Requests could be presented as early as the summer 2017 THEC meeting, at which time THEC approves or denies requests. See Tenn. Code Ann § 49-8-101(a)(2)(C). The University requested and was granted independent governance in 2017. The ten member ETSU Board of Trustees is led by a chair and vice chair elected from within the group.

VI. The ETSU Foundation:

- A. The purposes of the Foundation is to receive and hold (by gift, bequest, devise, grant or purchase) any real or personal property, and to invest and reinvest and to use and to dispose of such property for the purpose of supplementing the funds otherwise made available for the designing, planning, development and operation of both the educational and physical facilities for the University; for the purpose of providing, maintaining and improving the various libraries of the University, its several colleges, schools, and departments; for the purpose of providing the University, its several colleges, schools, and departments with funds to acquire real or personal property and to pay for services and constructions; for the purpose of providing students attending the University with funds to pursue their collegiate training; and for the purpose of providing funds to carry on any other proper activities of the University.
- B. The Foundation's earnings cannot be used for or be distributable to its members, directors, officers, or other private persons, except that the Foundation may pay reasonable compensation for services rendered. No substantial part of the activities of the Foundation may be for carrying on of propaganda, or otherwise attempting to influence legislation, and the Foundation may not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Additionally, the Foundation may not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c) (3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code.
- C. The Foundation Bylaws provide that up to 21 individuals may serve on the Foundation Board. Terms are for three years, and may be renewed one time. After a term of absence for three years, a member may be re-elected to the Foundation Board. The Board meets at least quarterly, with separate committees meeting as necessary. Appointees from the President of the University, and the President/CEO of the ETSU Foundation, serve as members of the Board.
- D. More information at: <https://www.etsu.edu/alumni/foundation/articles/default.aspx>

VII. Foundation Accounting:

- A. The ETSU Foundation, in its role as a gift-receiving non-profit corporation, assumes the role of the central bank for all Foundation accounts including endowments, reserves, operating accounts, and restricted funds. They also have reporting responsibility to the U.S. Internal Revenue Service, Tennessee Department of Revenue, or other authorities. The Foundation Accounting function is overseen by a certified public accountant at East Tennessee State University who assures compliance to GASB/FASB standards.

- B. The Foundation accounting staff, located in proximity to university accounting and procurement, carries out the Foundation's acts of receiving and holding property, and investing/reinvesting, using and disposing of the property for the Foundation. The Foundation accounting office staff utilizes the university financial system to disburse funds for scholarships, expenditures and other approved use of funds.
- C. All Foundation documents, corporate papers, and statutory filings are responsibility of the director of financial accounting. These functions all report to the Foundation President and Chief Executive Officer, whose university role is Vice President for University Advancement.

VIII. The ETSU National Alumni Association:

- A. The ETSU National Alumni Association is an organization of the ETSU Foundation, and does certain Foundation business under this name. The Association's purpose is to create and maintain strong ties between East Tennessee State University and its alumni and friends through club/chapter development, projects, public relations, honors, and awards. Affiliation with the association is granted to all alumni and friends of the University. Alumni include everyone who has received one- or two-year certificates of completion, or an associate, baccalaureate, masters, educational specialist, or doctorate from the University. Activities shall be advised by a group of volunteers.
- B. The Association is supported financially by contributions from alumni, paid memberships, and additional funding from the East Tennessee State University Foundation and from the University itself, through the State of Tennessee. Funds donated to the Association shall be deposited with the East Tennessee State University Foundation and are administered by the Foundation Board of Directors. Records shall be maintained by the Alumni and Advancement offices to identify all donations.
- C. A model of paid memberships was initiated in 2016 to provide additional revenue.
- D. The Association pursues contract relationships under the Foundation name with vendors such as insurance, affinity cards, or other sponsorship for royalty generation and provides other services valued by alumni.
- E. More information at: <http://www.etsualumni.org/s/974/interior-template.aspx?sid=974&gid=1&pgid=1178>

IX. WETS-FM:

- A. WETS-FM is a public radio station operated by East Tennessee State University and supported by the University and the station's listeners. Operating 24-hours-a-day at 89.5 MHz in the Tri-Cities, Tennessee/Virginia region. The station is also available online at <http://www.etsu.edu/wets/programming/listen.php>.
- B. The mission of WETS-FM is to provide high-quality news and information programming for, and about, the region (roughly a 120-mile radius from the ETSU campus in Johnson City, Tennessee). WETS-FM serves as an informational and cultural outlet for our region, presenting news, music, and information that is not available on other broadcast outlets.
- C. In addition to news from National Public Radio and its nationally-distributed programs Morning Edition and All Things Considered, WETS features local and regional news through a partnership with the Kingsport Times-News and the Johnson City Press, the

region's premier newspapers. Regional interests are also addressed through the WETS Community Forum.

- D. Gifts to support WETS-FM are all directed through the ETSU Foundation and are included in Annual Giving totals. Public service announcements are point-of-promotion for activities. Fundraisers should note that the University enjoys a significant number of donors to WETS who do not understand (or care about) a connection to the University. This is important to keep in mind when reaching out to donors who have supported only WETS.
- E. WETS-FM conducts two (spring/fall) large-scale (about 2 weeks) fundraising drives, during which they send direct mail/e-mail and operate a telethon, manned by volunteers.
- F. More information at: <http://www.etsu.edu/wets/aboutus/default.aspx>

X. **ETSU Athletics:**

- A. ETSU Athletics is a significant point of engagement. Private financial support allows student-athletes the resources to compete for Southern Conference championships and to compete in NCAA tournaments/championships. The impact of athletic success increases the power of the university's brand through effective communication and connection with internal and external constituencies; and improves the quality of life for all students, faculty, alumni, and friends of the University by providing enjoyable, effectively-managed, and fiscally-responsible programs.
- B. The Athletics Department staff includes personnel whose primary duties include fundraising and sponsorship sales for revenue generation. The practice has further evolved into linking giving to ticket priority access and licensing. This serves as a *de facto* annual fund for maintenance of the donor cycle. The pool of donors includes alumni and friends of the university with athletic interests. Advancement staff should be aware that season ticket sales and gift-for-priority cycles typically fall in the late March through July timeframe.
- C. Football and basketball ticketing information: www.etsubucs.com/tickets/TixMain/
- D. University Advancement has access to home game tickets for primarily men's basketball and football, and some other ticketed sports. These tickets are used to invite donor prospects to athletic events to allow more casual interactions. It is usually a point for casual introduction to other university leaders and can be used to include university partners (faculty, department chair, dean) as part of the group. Some athletic events (home and away) will have Advancement- or Alumni Association-hosted activities. Larger group ticketing and discounts can be arranged for special occasions, to incorporate an athletics event as a part of an overall schedule of alumni activities.

XI. **Research and Sponsored Programs:**

- A. The Office of Research and Sponsored Programs Administration (ORSPA) assists members of the University community in securing and managing external funding for their research, creative, instructional, and service activities. ORSPA is responsible for ensuring that the University proposals, sponsored agreements and other research-related agreements conform to sponsor guidelines and are compliant with all federal, state, TBR, and the University policies and regulations. ORSPA reports to the Vice

Provost for Research and Sponsored Programs – the institution's chief research officer and authorized official on sponsored programs.

- B. The Office of Research and Sponsored programs monitors the use of funds for which regular deliverables, usually research-based, are requirement of the gift. Deliverables might be the regular reporting of research findings leading up to the completion of a grant or other milestone reporting agreed upon between the university and a foundation or other organization. Funds acquired in this manner are counted in the university-wide totals of generated funds. Crediting Development Officers for securing these types of gifts may occur through soft-credit or other informal means as determined by the AVP for Advancement.
- C. Some funding received via Research and Sponsored Programs is considered voluntary support and is added to fundraising totals in some reporting at the end of the fiscal year, although it is not booked in Banner.
- D. Advancement staff seek to make connections between potential funding partners and faculty/staff, even when the opportunity appears to be research-focused.

XII. Procurement and Contract Services:

- A. Procurement and Contract Services provides the following:
 - 1. Accounts Payable
 - 2. Central Receiving
 - 3. Contracting Services
 - 4. Disposal of Surplus Property
 - 5. Equipment Inventory
 - 6. Procard Management
 - 7. Purchasing Services
- B. Through excellence in quality of services and teamwork, the Procurement and Contract Services Department provides services for the learning community of East Tennessee State University. Their function is to organize and administer procurement for the University in accordance with responsibility and authority delegated by the ETSU Board of Trustees and the University President.

XIII. University Admissions.

- A. The goal of ETSU Admissions is to plan, manage and provide services and programs which facilitate student recruitment and lead to student retention and success. The foundation of operations is based on the belief that integrated academic support will support the academic mission of the University and will enhance its ability to attract and retain students. Such efforts include a variety of programs, activities and services that complement the institutional vision and mission.
- B. Campus tours. Admissions develops and trains students to conduct hundreds of tours each year. Very often, they could offer a better tour than our own staff because they are in tune with relevant contacts and understand how spaces are currently used. In addition, most Admissions tours are led by students. These factors result in a more memorable experience for Advancement visitors.
- C. Recruiting and outreach:

1. Admissions employs several counselors and/or recruiters whose job it is to meet people where they live and study. They attend job/career fairs, visit high schools, and work with community organizations to help promote the University as a destination of higher learning. They can be rich sources of information for the Advancement officer.
2. All university staff who interact with the community are “recruiters.” Directors of Development, in particular, are encouraged to talk with potential students/families about the ETSU story and to connect them with appropriate parties on campus.

XIV. **University Scholarship Office (organized under Enrollment Services).** This office is responsible for most of the general (non-major specific) scholarships on campus. They also are responsible for non-Foundation scholarships such as Academic Performance Scholarships (APS), the George L. Carter Scholarships, the Sidney G. Gilbreath Scholarships, the Public Service Scholarships, and oversight of the Creative Arts Scholarship Programs.

- A. Award. Scholarships are typically awarded through the central Scholarship Office, although in some cases, they are administered and awarded by the academic units.
- B. The University Scholarship Office collaborates with Annual Giving on the ETSU Scholarship Forum, a quarterly meeting of staff/faculty regarding the establishment, selection, award, and reporting of scholarships to University students.
- C. Stewardship. Each scholarship recipient awarded through the Scholarship Office is provided a blank “thank you” card, address, envelope, samples, and other information with which to complete and send a note to the scholarship donor. Some units conduct periodic scholarship events to recognize recipients and thank supporters. Ideally, these events serve to connect the two groups in hopes of establishing long-lasting relationships.

Related Form(s)

N/A

Scope and Applicability

	Governance	
	Academic	
	Students	
	Employment	
	Information Technology	
	Health and Safety	
	Business and Finance	
	Operations and Facilities	
	Communications & Marketing	
X	Advancement	