A meeting of the Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Friday, July 17, 2009 at 8:30 a.m., in the President’s Conference Room, 351 Waterman Building.

MEMBERS PRESENT: Chair Ian Boyce*, Bill Botzow*, Daniel Fogel, Debbie McAneny* and John Snow

REPRESENTATIVES PRESENT: Faculty Representative Jim Burgmeier and Student Government Association Representative Hannah LeMieux (for Bryce Jones)

ABSENT: Vice Chair Frank Cioffi, Trustees Robert Cioffi and Claire Ayer, Alumni Council Representative Meg Guzewicz and Staff Council Representative Beth Walsh

TRUSTEES ALSO PARTICIPATING: Bill Ruprecht

PERSONS ALSO PARTICIPATING: Interim Provost Jane Knodell, Vice President for Finance and Administration Richard Cate, General Counsel Francine Bazluke, Vice President for Executive Operations Gary Derr and Vice President for Federal, State and Community Relations Karen Meyer

*By means of telephone.

Chair Ian Boyce called the meeting to order at 8:33 a.m.

Approval of Minutes

Chair Boyce entertained a motion to approve the minutes from the June 15, 2009 meeting. The motion was made, seconded and it was voted to approve the minutes.

President’s Report

President Fogel began by announcing that the administration has several new appointments, including Interim Provost Jane Knodell and her new Associate Provosts Rachel Johnson and Brian Reed, Vice President for Research Domenico Grasso, Dean of the College of Nursing and Heath Sciences Patti Prelock, Dean of the College of Agriculture and Life Sciences Tom Vogelmann, Dean of the Rubenstein School Mary Watzin, Interim Dean of the School of Business Administration Larry Shirl and Interim Dean of the College of Engineering and Math Sciences Bernard “Chip” Cole.

President Fogel has consulted with Vice Presidents and Deans regarding the agenda for the University’s new focus and invest strategy, a strategy which focuses on improving academic quality while effectively managing costs.
President Fogel stated that the administration and faculty are also focusing on advancing undergraduate education through the creation of a general education requirement and intensified attention to first-year experience; academic, career, and personal advising; the continuing development of Residential Learning Communities programs; and undergraduate research experiences that leverage the special opportunities of studying in a premier small research university.

Another continued focus, the President reported, is enhancing University assessment processes to allow for the identification of high priority doctoral programs and the elimination or consolidation, of programs (with emphasis on demonstrated need for the State of Vermont), as well as enhanced productivity, including production of degrees.

President Fogel announced that the administration and Deans have been briefed on the development of consistent dashboard indicators to be reported to the Board at every meeting. He reported the following current key indicators:

- The six-year graduation rate for May graduates was the highest in twenty years, at 72.7%.
- Fall enrollment indicators are on-target as summer melt met expectations. The administration anticipates that this year’s student enrollment will be an exceptional class, with historic numbers of Green and Gold and National Merit Scholars and with nearly 12% ALANA students overall (20% of this number enrolled in the Honors College).
- Cash receipts in Development came to $26,667,814, exceeding last year’s total by $333,000, against a recently reported average decline nationally of 4%.
- Substantially in advance of receipt of federal stimulus dollars, the University’s awards of grants and contracts through the Office of Sponsored Programs exceeded all past records in FY 2009, coming to $130,000,000. This figure is exceeds the previous record set in 2004 of $124 million and a 6.5% increase over last year’s $122 million. Approximately 1% of the FY 2009 total comes from the first 10 grants received to date supported by federal stimulus dollars.

Chair Boyce thanked President Fogel for his report.

**Compliance Program Reporting**

President Fogel briefly discussed the structure of the new Compliance Program, under which the compliance office would report directly to the General Counsel. Staffing will include a full-time chief compliance officer and a .75 FTE deputy compliance officer. There will also be a .5 FTE staff support position. This recommendation was endorsed by the Audit Committee at its July 13, 2009 meeting.

Trustee John Snow asked for a description of compliance obligations. General Counsel Bazluke indicated that higher education is one of the most strictly regulated industries in the country, with obligations set at the federal, state and local level. President Fogel also noted the compliance responsibilities arising out of internal policies and protocols. Ms.
Bazluke stated that she is currently developing a briefing and workplan for distribution to the Audit and Board Governance Committees.

**Action Items**

Audit Committee Chair Bill Botzow indicated that the Audit Committee has extensively reviewed the amended Code of Business Conduct Policy (see appended document) and has endorsed it for Executive Committee approval.

Audit Chair Botzow also reported that candidate identified for the position of Chief Internal Auditor withdrew his candidacy. As a result, the Audit Committee is seeking authorization from the Executive Committee to retain a search firm to assist in filling this position.

The following resolutions were presented for approval:

**Approval of Amended Code of Business Conduct Policy**

WHEREAS, the University’s Code of Business Conduct Policy has been amended to incorporate necessary reporting provisions, whistleblower protections currently in the Fraudulent and Dishonest Conduct Policy, and the Audit Committee’s recommendations regarding leave recording, timeliness of reports and institutional endorsements;

WHEREAS, with these provisions subsumed into the revised Code of Business Conduct, the Fraudulent and Dishonest Conduct Policy will be retired;

BE IT RESOLVED, that the Executive Committee hereby approves the Code of Business Conduct Policy as recommended by the Audit Committee and appearing as attachment A to this document.

**Authorization to Retain Search Firm for Chief Internal Auditor Recruitment**

RESOLVED, that the Executive Committee hereby authorizes Audit Committee Chairman Bill Botzow to retain a search firm to assist the Audit Committee in recruiting a chief internal auditor, such retention to be made on contract terms commensurate with the report the administration made today.

A motion was made, seconded and it was unanimously voted to approve the resolutions as presented.

**Other Business**

At 8:55 a.m., Chair Boyce entertained a motion to enter into executive session to discuss collective bargaining and contracts. The motion was seconded and approved.
All in attendance were excused from the meeting with the exception of Trustees, Interim Provost Jane Knodell, Vice President Cate, Vice President Derr, Vice President Meyer and General Counsel Bazluke.

The meeting was re-opened to the public at 9:25 a.m. Chair Boyce presented the following resolution for approval:

**Authorizations relative to Collective Bargaining**

RESOLVED, that the Executive Committee hereby authorizes the administration to execute a collective bargaining agreement with United Academics governing the employment of faculty in the certified part-time unit, such agreement to be consistent with the material terms the administration today reported; and

BE IT FURTHER RESOLVED, that the Executive Committee hereby authorizes the administration to negotiate and, as appropriate, resolve, a collective bargaining agreement with United Electrical governing the employment of staff in the certified unit, such agreement to be consistent with the material terms the administration today proposed.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.

Members of the administration offered the following updates:

**Staffing Study** – President Fogel advised the Executive Committee that a senior staffing study is underway and that its conclusions will be reported to governance leaders and the Board.

**Cleary Act Compliance Audit Update** – Vice President Gary Derr reported on the recently completed program review for Cleary Act Compliance regarding right-to-know information concerning crimes that occurred on campus. A draft report is expected from the U.S. Department of Education within ninety days. Audit Committee Chair Bill Botzow requested that a copy of the final report be distributed to the Audit Committee and that the Committee be notified when an external agency initiates an audit so that progress may be tracked.

**Adjournment**

There being no further business, the meeting was adjourned at 9.35 a.m.

Respectfully submitted,

Ian D. Boyce, Chair
**Code of Business Conduct**

**Policy Statement**

This Code of Business Conduct requires all University personnel to assume responsibility for safeguarding and preserving institutional resources so as to advance the institutional mission. It is the responsibility of supervisors to ensure that personnel whom they supervise receive adequate information and training to understand all laws and regulations, and all University policies and procedures, relevant to the discharge of their duties. In addition, all University personnel are expected to assume personal responsibility and accountability for understanding and abiding by relevant laws and policies and for adhering to the spirit of this Code.

**Reason for the Code**

All University personnel play a role in ensuring that institutional resources are protected, preserved and enhanced. This Code sets forth the fundamental expectations relating to business and fiduciary conduct. It is not intended to modify or restate University policies otherwise applicable to specific types of conduct or activities (see “Related Policies” below), or to limit in any way any additional rules or regulations that an administrative or academic unit may, through appropriate officials and channels, promulgate. Rather, the Code is a statement of the underlying standards and principles under which the University expects those with business and fiduciary responsibilities to carry out their duties.
Strategic Direction

This Code supports the following goal in the University’s Strategic Plan:

• **Institutional Efficacy:** As an institution, model the highest standard of ethical conduct, public service, and strong commitment to lifelong learning.

Applicability

This Code applies to all employees, including administrators, staff, faculty, and student employees, who manage, supervise or conduct University business or financial transactions or activities (“personnel”), and to University-recognized organizations and affiliated entities.

Persons and entities who are not affiliated with the University may also use the Ethics and Compliance Hotline (anticipated go-live August 2009) to report perceived violations of this Code.

Policy Elaboration

Administrators are required to report suspected fraudulent or dishonest conduct to the Audit Services Office. In addition, administrators are responsible for maintaining a system of management controls that deter and/or detect fraudulent or dishonest conduct. Failure by an administrator to establish management controls or report misconduct within the scope of this policy may result in adverse personnel action against the administrator, up to and including dismissal.

All University personnel are expected to be aware of and comply with University and unit policies relevant to their work duties, including without limitation the principles and policies listed below. Confirmed violations will result in disciplinary action, up to and including dismissal, and/or termination of institutional recognition of University group or organization status or external affiliate relationships with the University. In some instances, civil claims and criminal charges may also result. Procedures for the investigation of suspected violations, imposition of disciplinary action, and the availability of grievance or appeal channels shall be governed by otherwise applicable University policies, handbooks, and collective bargaining agreements.

Personnel in certain professions or occupations may be subject to additional ethical and professional standards. Failure to adhere to those standards may constitute a job performance issue to be addressed through customary performance review processes.

Neither the University nor its employees may retaliate against a whistleblower with the intent or effect of adversely affecting the terms or conditions of employment or enrollment (including but not limited to, threats of physical harm, loss of job or educational status, punitive work
assignments, or impact on salary or wages). Relative to non-affiliated entities or persons who act as whistleblowers, neither the University nor its employees may retaliate with the intent or effect of adversely affecting business or other opportunities with the University.

General Principles of Conduct

- **Fraud, Theft or similar conduct** - Any act that involves theft, fraud, embezzlement or misappropriation of the property of University or any of its employees or suppliers is prohibited.

- **Fair Dealing** – University personnel must deal fairly with services and goods vendors. No unfair advantage shall be taken of prospective or current vendors through manipulation, concealment, abuse of privileged information, misrepresentation of material fact or any other unfair practice.

- **Financial Reporting** – All University accounts, financial reports, tax returns, expense reimbursements, time sheets, and other documents that must be completed in the course of the business of the University, including those due government agencies, must contain accurate information and be completed promptly by authorized personnel.

- **Personnel Records** – All University personnel must scrupulously ensure that all personnel records that they submit in connection with their employment (e.g., job applications; timesheets; vacation and medical leave records; benefits plan coverage or reimbursement requests) are accurate and completed promptly and in a manner consistent with applicable policies and procedures.

- **Compliance** -- Supervisors must ensure that their supervisees receive adequate information and training to understand the laws and regulations, and University policies and procedures, relevant to the supervisees’ discharge of assigned duties. In addition, University personnel are expected to assume personal responsibility and accountability for understanding and abiding by relevant laws, regulations and policies in the discharge of their duties.

- **Authority to Contract** – University transactions must be authorized by appropriate officials in accordance with applicable institutional policies and procedures.

- **Conflicts of interest and commitment** – University personnel shall adhere strictly to institutional conflict of interest and commitment policies.

- **Stewardship of University assets and resources** – University assets and resources must be used prudently and effectively, and only for legitimate and authorized purposes. University property shall not be used, leased, donated, sold, or traded without proper authorization.

- **Gifts and Gratuities** - University personnel may not directly or indirectly give, offer, ask for, or accept for personal use, any gift or gratuity, in cash or in kind, from any current or
potential vendor, or a regulatory authority, in connection with a business or comparable relationship between the University and the other party. This rule does not prohibit courtesy exchanges of gifts of equal and nominal value (such value not to exceed $50 annually from one source) as dictated by the cultural customs of foreign visitors or when UVM personnel visit foreign countries. If a courtesy gift of the nature just described exceeds nominal value, it must be turned over to UVM within thirty (30) days through the Office of Vice President for Finance and Administration. University personnel are responsible for determining the customs rules applicable to such gifts when traveling out of the U.S.

- **Bribery, kickbacks and payoffs** – Acts of bribery, and kickbacks and payoffs related to the discharge of University duties are prohibited.

- **Confidentiality** – University personnel must use reasonable diligence to maintain the confidentiality of information entrusted to them by the University or its students, alumni, employees or others with whom the institution has a business or fiduciary relationship, except when disclosure is authorized or legally mandated. This confidentiality principle applies both to information designated as such under applicable law, and non-public University information that might be useful to competitors or harmful to the University if disclosed. University personnel must take reasonable steps to protect and restrict the transfer of such confidential information to unauthorized persons and must share such information within the University on a “need-to-know” basis. All relevant protocols applicable to the safeguarding of information, including computer use protocols, must be followed.

- **Accuracy of Records** – University personnel are responsible for the integrity and accuracy of records they complete or maintain in the course of their duties regarding the business and/or financial operations of the University or a unit thereof. No false, misleading or artificial entries, or unauthorized alterations, shall be made on the University’s books and records or in reports the University is required to make as a matter of law or policy.

- **Records Retention** – Responsible University personnel must ensure that records are maintained and retained as required by University policy and governing law.

- **Responsible Management of Government Funds** – The University will strictly comply with government grants and contracts terms and conditions and expects its personnel to be knowledgeable about, and comply with, such terms and conditions as appropriate to, and required by, the nature of their duties.

- **Political Endorsements** – University personnel shall not, in their capacity as University personnel, endorse political candidates.

- **Commercial Endorsements** – University personnel shall not endorse commercial products or services except as specifically authorized in advance in an employment
contract executed by appropriate University officials on behalf of the University and also approved in advance by the Senior Vice President and Provost.

- Institutional Endorsements – Institutional endorsements will be handled in accordance with University policies and procedures regarding Trademarks and Licensing.

Definitions

“Administrator” is a University official who has managerial or supervisory responsibility for another University employee or other University employees.

“Appropriate responsible official” is the individual by whom the possible violator is supervised. If the administrator making the report has reason to believe that the otherwise appropriate responsible official is aware of, or sanctioning, the violation, the report should be made to the next-level supervisor of the appropriate official.

“Good Faith” means honest belief, with the absence of malice or intent to defraud or seek unscrupulous advantage.

“Retaliation” includes any adverse action taken against University personnel because such person made a good faith report of a possible violation of this Policy. Examples of adverse action include, but are not limited to, threats of physical harm, implementing unfavorable changes in employment or educational status, punitive assignments, or negative impact on grades, salary or wages.

“Whistleblower” is an individual or entity who files a report of suspected wrongful conduct that is believed in good faith to constitute a violation of this Policy.

Procedures

Administrators must report perceived or demonstrated Code of Business Conduct violations to an appropriate responsible official or to the Office of Audit Services. Non-administrator personnel are strongly encouraged to report perceived or demonstrated violations to an appropriate official or to the Office of Audit Services. Reports may also be made using the Ethics and Compliance Hotline (anticipated go-live August 2009). Customary channels will be used in the investigation of alleged violations of this Code and any imposition of related disciplinary or administrative

The University cannot guarantee confidentiality to persons making reports of suspected violations (“whistleblowers”). The investigating office will nonetheless strive to keep the identity of a whistleblower confidential, unless:

- The whistleblower agrees to be identified;
- Identification is necessary to allow University or law enforcement officials to investigate or
respond effectively to the report;

- Identification is required by law; or

- The person accused of the violation is entitled to the information in disciplinary proceedings as a matter of right.

Whistleblowers who believe they have been retaliated against may file a written complaint with the Audit Services Office, which shall refer the report promptly to the immediate supervisor(s) of any person(s) accused of retaliation. If the whistleblower is alleging that an immediate supervisor engaged in the retaliation, Audit Services shall refer the retaliation report to the next level of administration.

If investigation determines that retaliation occurred, disciplinary action against the offender will be initiated through normal channels. If it is determined that retaliation has not occurred, the appropriate University official will so notify the whistleblower and explain the rationale for the conclusion. A whistleblower is not entitled to be informed of the nature and extent of any disciplinary action taken against personnel found to have engaged in retaliation.

This protection from retaliation is not intended to prohibit managers or supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

Allegations of suspected violations made in bad faith may give rise to disciplinary action against the whistleblower and personal liability in response to external legal claims filed by an individual wrongfully accused of misconduct. The fact that a report of suspected violation has been investigated and found unsubstantiated is not necessarily indicative of bad faith.

Forms

The Ethics and Compliance Hotline <Link> (anticipated go-live 8/09)

Contacts and Responsible Official

Suspected violations of this Code may be reported to the appropriate responsible official or to the Office of Audit Services at:

Chief Internal Auditor  
234 Waterman Building  
Burlington, VT 05405  
(802) 656-2662

The Vice President for Finance and Administration is the University official responsible for the interpretation and administration of this Code.
Related Documents/Policies

- Audit Services Investigative Protocol
  http://www.uvm.edu/~uvmppg/general_html/related_docs/invprotocol.pdf
- Computer and Network Use
  http://www.uvm.edu/~uvmppg/ppg/cit/compuse.pdf
- Conflict of Interest and Commitment Policy –
  http://www.uvm.edu/~uvmppg/ppg/general_html/conflictinterest.pdf
- Effort Management and Reporting on Sponsored Awards
  http://www.uvm.edu/~uvmppg/ppg/grants/effortreporting.pdf
- FERPA Rights Disclosure
  http://www.uvm.edu/~uvmppg/ppg/student/ferpa.pdf
- Health Insurance Portability and Accountability Act (HIPPA)
  http://www.uvm.edu/~complian/compliance/?Page=HIPAA_UVM.html
- Intellectual Property
  http://www.uvm.edu/~uvmppg/ppg/general_html/intellectualproperty.pdf
- Loans to or Guarantees for Trustees and Officers
  http://www.uvm.edu/~uvmppg/ppg/otherdoc/botloans.pdf
- Misconduct in Research and Other Scholarly Activities – revisions pending
  http://www.uvm.edu/~uvmppg/ppg/grants/researchmisconduct.pdf
- Names, Symbols, Letterhead and Other Proprietary Indicia of Affiliation
  http://www.uvm.edu/~uvmppg/ppg/general_html/letterhead.pdf
- Political Activity
  http://www.uvm.edu/~uvmppg/ppg/general_html/political_activity.pdf
- Procurements and Contracts Policy – revisions pending
  http://www.uvm.edu/~uvmppg/ppg/procure/procurement.pdf
- Records and Documents Requests
  http://www.uvm.edu/~uvmppg/ppg/general_html/record_request.pdf
- Records Retention
  http://www.uvm.edu/~uvmppg/ppg/general_html/recordretention.pdf
- Related Significant Financial Interest in Research and Scholarly Activity
  http://www.uvm.edu/~uvmppg/ppg/grants/researchcoi.pdf
- Trademarks
  http://www.uvm.edu/~uvmppg/ppg/general_html/trademark.pdf
- Travel
- Wrongful Conduct and Whistleblower Protection – revisions pending
  http://www.uvm.edu/~uvmppg/ppg/general_html/fraud.pdf
Effective Date

Approved by:

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Approved by the Board of Trustees Executive Committee on ______________.