A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Friday, May 15, 2009 at 8:00 a.m. in the Silver Maple Ballroom, 401 Dudley H. Davis Center and Saturday, May 16, 2009 at 8:30 a.m. in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Ian Boyce, Vice Chair Frank Cioffi, Secretary Bill Botzow, Claire Ayer, Samuel Bain, James Betts, Carolyn Branagan, Christopher Bray, Harry Chen, Robert Cioffi, Jeffrey Davis, Jason DePatie, Johannah Donovan, Daniel Fogel, John Hilton, Jr., Susan Hudson-Wilson, Debbie McAneny, David Potter, Adam Roof, Bill Ruprecht, John Snow, Donna Sweaney, Jeanette White and Mark Young

MEMBERS ABSENT: James H. Douglas

Vice Chair Frank Cioffi called the meeting to order at 8:10 a.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and voted to approve the minutes from the February 7, 2009 meeting with a requested amendment to paragraph four on page three as suggested by Trustee John Snow.

Election of Board Chair

Vice Chair Cioffi presented the following resolution for approval:

**Resolution Approving Appointment of Board Chair**

RESOLVED, that the Board hereby accepts the recommendation of the Nominating Committee and approves the appointment of Ian Boyce as Chair, effective immediately.

A motion was made, seconded and unanimously voted to approve the election of Board Chair Ian Boyce.

Appointment of Interim Provost

A motion was made, seconded and voted to appoint Associate Provost Jane Knodell as Interim Provost effective July 1st, 2009. Associate Provost Knodell thanked the Board and the Administration for the opportunity to serve the University in the capacity of Interim Provost and stated that she looks forward to working with the Board and especially with the Educational Policy and Institutional Resources Committee as liaison to the Committee.

At 8:19 a.m., Chair Ian Boyce recessed the meeting stating the intention to reconvene on Saturday morning at 8:30 a.m.
The meeting was reconvened at 8:45 a.m. on Saturday, May 16, 2009.

MEMBERS PRESENT: Chair Ian Boyce, Vice Chair Frank Cioffi, Secretary Bill Botzow, Claire Ayer, Samuel Bain, James Betts, Christopher Bray, Harry Chen, Robert Cioffi, Jeffrey Davis, Jason DePatie, Johannah Donovan, Daniel Fogel, John Hilton, Jr., Susan Hudson-Wilson, Debbie McAneny, David Potter, Adam Roof, Bill Ruprecht, John Snow, Donna Sweeney, Jeanette White and Mark Young

MEMBERS ABSENT: James H. Douglas and Carolyn Branagan

ALSO PARTICIPATING: Senior Vice President and Provost John Hughes, Vice President for Legal Affairs and General Counsel Francine Bazluke, Vice President for Executive Operations Gary Derr, Vice President for Campus and Student Life Thomas Gustafson and Vice President for Finance and Administration Richard Cate

Public Comment

Chair Boyce opened the public comment period by requesting that all speakers identify themselves; state their title and the group or organization that they are representing, if any; and to adhere to the three-minute time limit allotted to each speaker under the protocol.

Professor of Education and President of United Academics David Shiman highlighted proposals outlined in a letter from United Academics distributed to Trustees. He began by urging the administration not to pursue any internal discipline of the students involved in the executive office sit-in. Professor Shiman acknowledged the positive steps taken by the administration including increased transparency of decision making processes and the reallocation of funds to address academic quality goals. He recommended a formal policy be established that would put an end to administrative bonuses and for a thorough examination of the decision making process.

Stephanie Zimmermann-Schmitt spoke on behalf of Students Stand Up on the administration’s budget reconciliation process and shared her perspective of how it is affecting the classroom. She cited the increased class size and the loss of some of the best professors, which affects the amount of interaction students are exposed to and limits resources available to students.

Meg Tiley, Treasurer of Students for Peace and Global Justice, shared a letter from an unidentified concerned staff member supporting the students who have publicly protested the administration’s budget actions.

Tyler Platt, a representative of the Students Against War, shared with the Board student support for the proposal to divest from companies manufacturing or distributing cluster munitions and/or military items containing depleted uranium. He noted that UVM would be the first University to implement such a policy and urged the Board to approve the recommendation.

Will Bennington, a junior speaking on behalf of Students Stand Up, expressed his displeasure at the administration’s response to the student protest, of which he was one of the arrestees, and his lack of faith in the current administration.
Nancy Welch, Professor of English and Tina Escaja, Professor of Romance Language, shared with the Board a faculty view of the University’s response to the recent student protests by reading a statement of UA-Students Stand Up Press Conference and of Helen Scott, Associate Professor of English denouncing the handling of the student sit-in by the administration.

Jim Carter an alumnus, former coach, and community member shared with the Board his disappointment regarding the elimination of baseball and softball.

Committee Reports

Educational Policy and Institutional Resources Committee

Chair Claire Ayer began by noting that she will continue the protocol of her predecessor and would be calling on Committee Members to assist with giving the summary report.

Trustee Jeff Davis noted that the Provost’s report to the committee addressed Fall 2009 matriculation, a summary of the promotion and tenure process and continued discussion on the topic of admissions win-loss and benchmark comparisons. Highlights on admissions include 33 Green and Gold Scholars in the class of 2012, the most enrolled in a first-year class and 14% of total ALANA are Vermont students. As of this week, 2,760 deposits have been received to achieve the class goal of 2,585 incoming students. Data was presented showing how UVM compares in terms of application and enrollment trends with its competitor institutions.

Trustee Harry Chen reported that the Committee considered a proposal to eliminate the two-credit physical education requirement and the approval of a new Bachelor of Arts in Engineering. The physical education requirement is a non-academic requirement that no longer achieves what it was originally intended to do. Additional information regarding the proposal to eliminate the physical education requirement was requested and the Committee reconvened this morning to conclude discussion of the proposal. Both proposals were endorsed by the Committee and now appear on the consent agenda for Board approval. The Committee requested the administration return to the Committee with a specific proposal for addressing student health and wellness issues.

Trustee Jeanette White encouraged all Trustees to read the Development and Alumni Relations report included as attachment 6 in the Committee materials. She noted that Development is working on efforts to address the decline in major gift commitments due to the economic recession.

Trustee James Betts reported that Dr. Jon Porter, Director for the Center for Health and Wellbeing, led the Committee on a tour of the various student health facilities, including the University Health Center, the Counseling Center and the Athletic Center. Dr. Betts commented on the value of the tour and commended the Center for Health and Wellbeing on the amount of services offered with limited staff in facilities dispersed across campus.
Budget, Finance and Investment Committee

Chair Debbie McAneny reported that the Committee unanimously approved the FY 2010 general fund budget. The Committee has been working with the administration on the budget for several months, most recently meeting in April. Changes in revenue since April include a $3M reduction in facilities and cost reimbursement projections. Changes in expenses include a reduction in salaries and wages, operating and equipment, and capital debt services. One-time adjustments include a $600K savings in the cost of no layoffs and the addition of one-time allocation to formula-funded units. The revised budget shortfall is an increase from $4.4M to $5.4M. The FY 2010 projected general fund budget will be balanced with one-time state appropriations and $5.38M from Loan Fund reserves.

The Committee also unanimously approved tuition rate increases of 6.0% for both Vermont and out-of-state students, and proposed tuition rate increases for the College of Medicine of 4.0% for the first year class and 2.0% for the second through fourth year classes for both Vermont and out-of-state students. The Committee endorsed the establishment of a flat tuition rate for programs that enroll non-degree or certificate students and are offered primarily on-line; student fees and room and meal rate increases; and FY 2010 budget for the Morgan Horse Farm as outlined in the consent agenda for Board approval. Other action items endorsed by the Committee for Board approval include signatory authority resolutions that have been updated.

Vice Chair Robert Cioffi reported on the monthly meetings of the Investment Subcommittee since the last Board meeting reminding Trustees that these meetings are held to discuss managers, asset allocation, and to rebalance the portfolio in accordance with the asset allocation policy. The Subcommittee will have its annual meeting for review of asset allocation targets and to review managers’ performance this summer. Vice Chair Cioffi reported that the endowment returns were -3.5% for the most recent quarter and -28.0% for fiscal year-to-date. April returns are up approximately 4-5%. The endowment aggregate value as of March 31, 2009 is $238.3 million, down from September 30, 2007 value of $348.9, the endowment’s high water mark.

Additionally, the Committee endorsed a resolution to continue the contract with Cambridge Associates at a fee to be determined by the Investment Subcommittee Chair for the fiscal year July 1, 2009 through June 30, 2010.

Vice Chair Cioffi next reported on the recommendation of the Socially Responsible Investing Work Group based on a proposal from the Students Against War (SAW) regarding cluster munitions and military equipment and/or weapons containing depleted uranium. Included on the consent agenda is a “Resolution Regarding Divestment from Companies Manufacturing or Distributing Cluster Munitions and/or Military Items Containing Depleted Uranium”. This resolution was vetted by the Work Group, brought to the Investment Subcommittee, approved and moved forward to the Budget, Finance and Investment Committee. The Budget, Finance & Investment Committee recommends the resolution for Board approval as well as the annual reaffirmation of the Resolution for Divestment from Sudan.

Board Governance Committee

Chair John Snow reported on the Committee orientation held on Thursday May 15, 2009 at which the Committee reviewed work plan items and identified time-sensitive and priority items
such as the Graduate Student Senate request for recognition as a governance group. A work group has been appointed to address the student request during the summer and report back to the Committee, who in turn, plans to make a recommendation to the Board for action in October.

The Committee will also design and conduct an assessment of the effectiveness of the Board Committee structure over the course of the next year.

Chair Snow reported that he will be consulting the Board Chair about the scope of the charge of a proposed Trustee Committee on Long-Range Planning noting that the scope of the work may be more evident following the summer retreat.

Additional new items identified for the Committee’s consideration were strengthening the language of the charge of the ad hoc Labor Advisory Committee and examining the obligations of the Audit Committee relative to monitoring compliance with the Board Reserved Rights and Delegated Authority resolution.

The Chair concluded his report by acknowledging the Committee’s intention to explore the use of SharePoint and other forms of technology to assist the Committee in its work.

Audit Committee

Chair Bill Botzow provided highlights of the monthly meetings held since February including the appointment of a Subcommittee for the Chief Internal Auditor search which has been meeting regularly as well. At the February 20, 2009 meeting the Committee reviewed the OMB A-133 report which identified three significant deficiencies in internal control over financial reporting during the FY 2008 financial statement audit. A regular report on internal audit activities was initiated at this meeting as well.

The Committee met again at the end of March to review proposed changes to the Audit Committee Charter including incorporation of the new reporting line of the internal audit function and recommended SOX best practices.

In April, the Committee met and received an update on the Higher Education Opportunity Act and on management’s response to the Deloitte Audit report. The Committee reviewed and endorsed the University’s program developed to comply with recently passed Federal Trade Commission regulations known as the “Red Flag Rules”.

To date, the Chief Internal Auditor Search Subcommittee, supported by Vice President for Executive Operations Gary Derr, has reviewed a candidate pool of about 27. This subcommittee met for an orientation, selected candidates for phone interviews, and conducted phone interviews this week. Phone interviews will continue next week after which finalists will be invited for campus visits early next month.

Action items recommended by the Committee for inclusion on the consent agenda include approval of revisions to the Committee Charter and approval of the Red Flag Rule Program.
Lastly, the Committee met on Thursday afternoon to receive a recommendation from the administration for conducting an audit of purchasing card and travel expenses audit. The Interim Internal Auditor proposed this audit be performed in-house by the university’s current IT auditor with the goal to identify strengthened controls over expenditures and update existing policies and procedures which have evolved since the inception of the Purchasing Card Program in 1998. The Committee agreed with the recommendation to proceed with an audit as soon as feasible and instructed the administration to hire additional resources necessary to augment the present internal staff at a cost not to rise to the level of president or board approval.

_Vermont Agricultural College Board_

Chair Claire Ayer reported that Joey Donovan was elected Chair, Harry Chen Vice Chair, and Jeanette White Secretary, each for one-year terms.

The Board discussed the work plan for the year and agreed that communication with Vermonters is an appropriate focus. Examples of this outreach effort include educating Vermonters on issues such as the University’s benefits to the community by county, tours of campus, and informational meetings for legislators.

_University of Vermont Board_

Chair Susan Hudson Wilson reported that she was re-elected as Chair, James Betts as Vice Chair and John Hilton as Secretary, each for one-year terms. The Board met in executive session for the remainder of the meeting to discuss the appointment and evaluation of public officers.

_UVM and VSC Task Force Update_

Vice Chair Frank Cioffi provided a brief update on the first meeting of the Task Force held last month in Montpelier. This was an organizational meeting at which the Governor discussed the goal of the Task Force and President Fogel and VSC President presented. The Task Force will be meeting on May 21 at UVM and on June 4 at Vermont Technical College.

_Approval of Consent Agenda_

Chair Boyce presented the consent agenda. Trustee John Snow requested resolutions 15 and 23 be voted on separately. Trustee Frank Cioffi requested resolution 8 be voted on separately. The remainder of the consent agenda was presented for approval:

(1) **Resolution Approving Five-Year Office Supply Contract**

BE IT RESOLVED, that the Vice President for Finance and Administration or his successors or designees are each authorized to enter into a five-year contract with Office Max for the University’s office supplies for the period July 1, 2009, thru June 30, 2014.
(As recommended by the Audit Committee on April 28, 2009)

(2) **Approval of Red Flag Rule Program**

WHEREAS, the Red Flag Rule Program to reduce the risk of identity theft was developed by the University in compliance with Sections 114 and 315 of the Fair and Accurate Credit Transactions Act;

BE IT RESOLVED, that the Board hereby approves the Red Flag Rule Program as recommended by the Audit Committee and appearing as attachment A to this document.

BE IT FURTHER RESOLVED, that the Board delegates ongoing oversight of the program to the Vice President for Enrollment Management.

(As recommended by the Audit Committee on April 28, 2009)

(3) **Resolution Approving Audit Committee Charter Revisions**

RESOLVED, that the Board hereby approves the revisions to the Audit Committee Charter as recommended by the Audit Committee and appearing as Attachment B to this document.

(4) **Resolution Regarding Use of University Seal**

RESOLVED, that the Board hereby approves the policy regarding use of the University Seal appearing as Attachment C to this document.

(5) **Campus Life Task Force II Appreciation Resolution**

WHEREAS, in May 2007, the Board of Trustees authorized the Chair to appoint the Campus Life Task Force II to investigate, analyze, and recommend to this Board what actions, if any, should be taken with respect to the University’s health and wellness, recreational and fitness, athletic and multipurpose events facilities; and

WHEREAS, the Board of Trustees accepted the report of the Task Force in February 2008, acknowledging that its recommendations have been considered in light of the principles set forth in the University Campus Master Plan and that the Task Force has articulated a set of principles that require such facilities to be closely aligned with the vision, mission, and values of the University; and

WHEREAS, the Board of Trustees charged the administration with preparing a detailed assessment of the projects articulated in the report with respect to financial scope, potential phasing, resource generation strategies, and project priorities within the approved Strategic Capital Plan; and

WHEREAS, this work has been completed and included in a comprehensive final report that will provide a blueprint for future facilities planning;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees gratefully acknowledges the effort and commitment of the Task Force members in successfully fulfilling its charge; and
BE IT FURTHER RESOLVED, that the Board of Trustees accepts the final report and its findings as a useful guide for long-term planning with respect to new and renovated facilities dedicated to the purpose of student health and wellness, indoor and outdoor recreational activities, a comprehensive Division I athletic program, and a multipurpose facility for University events, athletic contests, and ceremonial activities.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

(6) Resolution Approving Elimination of the Physical Education Requirement

RESOLVED, that the Board of Trustees approves the elimination of the University-wide two-credit Physical Education requirement, as approved and advanced by the Provost on April 3, 2009, and the President on April 6, 2009.

(7) Resolution Approving the Creation of a Bachelor of Arts in Engineering

RESOLVED, that the Board of Trustees approves the creation of a Bachelor of Arts in Engineering, as approved and advanced by the Provost on April 30, 2009, and the President on April 30, 2009.

(9) Tuition Charges for Fiscal Year 2010

RESOLVED, that the Board of Trustees hereby approves increases in the following tuition rates effective with the 2009-2010 academic year:

a. In-state tuition from $11,048 to $11,712 per year, or $488 per credit hour.

b. Out-of-state tuition from $27,886 to $29,568 per year, or $1,232 per credit hour.

c. Medical student in-state tuition from $26,680 to $27,750 per year for first-year students; from $26,680 to $27,210 for second-year students; from $26,680 to $27,210 for third-year students; and from $26,680 to $27,210 for fourth-year students. Medical student out-of-state tuition from $46,700 to $48,570 per year for first-year students; from $46,700 to $47,630 for second-year students; from $46,700 to $47,630 for third-year students; and from $46,700 to $47,630 for fourth-year students.

(10) On-line Tuition Rate

RESOLVED, that the Board of Trustees hereby approves the establishment of a flat tuition rate for programs that enroll non-degree or certificate students and are offered primarily on-line. On-line tuition will go into effect for the Fall 2009 semester at a rate of $488 per credit hour for the 2009-10 academic year.

(11) Room and Meal Plan Rates, Fiscal Year 2010

RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for Fiscal Year 2010 as follows:
Private Single with Bath $7,446
Private Double with Bath $7,272
Suite Single with Shared Bath $7,042
Suite Double with Shared Bath $6,080
Traditional Single $6,868
Traditional Double $5,964
Traditional Triple $4,756
Traditional Quad $3,994
Retail Dining – Lite Points $2,386
Retail Dining – High Points $3,032
Unlimited Access (+100 Points) $3,032
Unlimited Access (+250 Points) $3,392

(12) Student Fees for Fiscal Year 2010

RESOLVED, that the Board of Trustees approves increases to student fees from $1,796 to $1,842 effective with the 2009-2010 academic year.

(13) Fiscal Year 2010 Operating Budget: Morgan Horse Farm

RESOLVED, that the Board of Trustees approves the recommended operating budget for the Morgan Horse Farm for Fiscal Year 2010 in the amount of $360,001.

(14) Resolution Regarding Investment Advisory Services

BE IT RESOLVED, that the President, Provost, Vice President for Finance and Administration, Controller, or any officer holding the above positions on an interim basis, singly is authorized to enter into a contract with Cambridge Associates LLC for the purpose of serving as an investment advisor to the University for the period July 1, 2009 to June 30, 2010 at a fee to be determined by the Investment Subcommittee Chair.

This resolution supersedes all previous authorizations.

(16) Establishment of Bank Account

BE IT RESOLVED, that any combination of two of the following persons: the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, and Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis, are hereby authorized to open or close commercial checking accounts for the purpose of conducting corporate business; and

BE IT FURTHER RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services, Senior Treasury
Management Professional, and Treasury Management Professional, or any officer holding any of the above positions on an interim basis, are hereby authorized to be signatories on these accounts.

This resolution supersedes all previous authorizations.

(17) **Transfers between Corporate Accounts**

BE IT RESOLVED, that the Board of Trustees hereby authorizes the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services, Senior Treasury Management Professional, and Treasury Management Professional, or any officer holding any of the above positions on an interim basis, to issue telephone instructions to banks for the purpose of conducting University business by making transfers between the University’s corporate accounts at banks and the University’s accounts at other institutions. This resolution supersedes all previous authorizations.

(18) **Maintenance of Accounts**

RESOLVED, that any combination of two of the following persons: the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis, are hereby authorized and empowered to carry out all legal acts relative to the maintenance of any Bank accounts; and

BE IT FURTHER RESOLVED, that the agreements and authority herein confirmed continue in force until notice of amendment or revocation thereof by proper resolution shall be given to the Bank.

(19) **Establishment of Brokerage Account**

BE IT RESOLVED, that any combination of two of the following persons: the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, and Assistant Controller for Tax and Treasury Services, or any officer holding any of the above positions on an interim basis, are hereby authorized to open and close brokerage accounts for the purpose of conducting corporate business; and

BE IT FURTHER RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services, Senior Treasury Management Professional, or any officer holding any of the above positions on an interim basis, singly is hereby authorized to be signatories on these accounts.

This resolution supersedes all previous authorizations.
(20) Sale of Securities

BE IT RESOLVED, that the Board of Trustees hereby authorizes only the following officers to sell securities received as contributions to the University: President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services, Senior Treasury Management Professional, or any officer holding any of the above positions on an interim basis;

BE IT FURTHER RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services, Senior Treasury Management Professional, or any officer holding any of the above positions on an interim basis, singly is authorized to execute any and all instruments necessary, proper, and desirable for that purpose; and further that any officer of this Corporation is hereby authorized to certify this resolution to whom it may concern.

This resolution supersedes all previous authorizations.

(21) Signatory Authority - UVM Pooled Income Fund

WHEREAS, the Board of Trustees has appointed the University of Vermont and State Agricultural College as the custodian for securities held in connection with the UVM Pooled Income Fund; and

WHEREAS, from time to time documents relating to securities transfers, purchases, and sales are required in connection with the operation of this fund;

BE IT RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis, singly is authorized to execute any and all instruments necessary, proper, and desirable for that purpose, and further that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

This resolution supersedes all previous authorizations.

(22) TD Banknorth - Wire Transfer Agreement

BE IT RESOLVED, that the Board of Trustees hereby authorizes any combination of two of the following persons to enter into and execute the Wire Transfer Agreement and all its Exhibits and Schedules (collectively the “Agreement”) between the University of Vermont and State Agricultural College and TD Banknorth: President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis; and

BE IT FURTHER RESOLVED, that the Board of Trustees hereby authorizes any combination of two of the following persons to execute on behalf of the University additional exhibits to said
Agreement in order to, from time to time, select different services: President, Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis; and

BE IT FINALLY RESOLVED, that any officer of this Corporation is hereby authorized to certify this resolution.

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

Discussion and Action on Resolutions Removed from the Consent Agenda

A motion to move resolutions 15 & 23 was made and an opportunity for discussion offered. Trustee Snow commended the student work and support that went into both proposals.

(15) **Reaffirm Divestiture from Sudan**

RESOLVED, that the Board of Trustees reaffirms its Resolution for Divestment from Sudan, as adopted by the Board on May 18, 2006, and amended by the Executive Committee on June 12, 2006 (stated below);

BE IT FURTHER RESOLVED, that the Budget, Finance and Investment Committee, as successor to the Committee on Socially Responsible Investing, will review this resolution on an annual basis.

**Resolution for Divestment from Sudan**

WHEREAS, the University’s Policy Statement on Moral, Social and Ethical Considerations in Investment and Shareholder Resolutions holds that the primary objective of investment by the University is to provide a satisfactory return on investment for the support of University operations based upon the Prudent Investor Rule; and

WHEREAS, the Policy Statement also holds, however, that the policy of fiscal prudence shall not preclude the University from considering moral, ethical, and social criteria in determining companies in which to invest; and

WHEREAS, a balanced group of the University community has been convened as the Committee on Socially Responsible Investing and has studied the issue of genocide in the Darfur region of Sudan and has made recommendations to the Investment Committee of the Board of Trustees;

THEREFORE, BE IT RESOLVED, that the University adopt and implement a policy of targeted divestment from companies doing business with or otherwise aiding the governing regime of Sudan based on the model developed by the Sudan Divestment Task Force;

BE IT FURTHER RESOLVED, that the University implement its divestment policy to the fullest extent consistent with its fiduciary responsibilities; and
BE IT FURTHER RESOLVED, that the Socially Responsible Investment Work Group will review and reaffirm this resolution on an annual basis.

(23) Resolution Regarding Divestment from Companies Manufacturing or Distributing Cluster Munitions and/or Military Items Containing Depleted Uranium

WHEREAS, the board reaffirms its commitment to “Our Common Ground” and its stated values of “justice” and “responsibility”; and

WHEREAS, the University’s policy of fiscal prudence shall not preclude the consideration of moral, ethical and social criteria in determining companies in which to invest, and that the University will take an active role on request in pursuing shareholder resolutions through proxy resolutions and other means in order to further its goal of investing in firms that produce safe and useful products in accord with moral, ethical and social criteria; and

WHEREAS, reaffirming the Declaration of the Oslo Conference on Cluster Munitions, by which, inter alia, States recognized the grave consequences caused by the use of cluster munitions and committed themselves to conclude by 2008 a legally binding instrument that would prohibit the use, production, transfer, and stockpiling of cluster munitions that cause unacceptable harm to civilians, and would establish a framework for cooperation and assistance that ensures adequate provision of care and rehabilitation for victims, clearance of contaminated areas, risk reduction education, and destruction of stockpiles; and

WHEREAS, weapons containing depleted uranium have potentially harmful effects on human health and the environment and do so indiscriminately;

BE IT RESOLVED, that the Budget, Finance & Investment Committee recommends University divestment from companies that are materially engaged in the manufacture of:

a) Cluster munitions as defined by the Oslo Treaty of December 2008.

b) Military equipment and/or weapons containing depleted uranium.

BE IT FURTHER RESOLVED, that the Socially Responsible Investment Work Group will review and reaffirm this resolution on an annual basis.

Trustee James Betts shared his experience as a doctor having treated a child who had been severely injured by a cluster bomb shortly after war in Iraq began and reiterated that this product has no business being utilized.

The motion was seconded and it was unanimously voted to approve the resolutions.

Chair Boyce presented resolution 8 for approval:
(8) **Fiscal Year 2010 Budget Planning Assumptions: General Fund**

RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for Fiscal Year 2010, which lead to a General Fund operating expense budget for the University of $284,645,000, with additional one-time spending of $2,349,000 covered by revenue of $276,173,000 and one-time State support of $5,441,000 and one-time support from balances in the Loan Fund of $5,380,000 and authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

A motion to move resolution 8 was made.

Trustee Jeff Davis offered the following amendment –

“I move that men’s baseball and women’s softball be reinstated in the 2009/2010 UVM budget. The Chairman of the Board shall direct the administration to reduce the athletic department budget cut by 50% to $550,000 and to spread that cut equitably throughout the athletic department for the 2009/2010 fiscal year.

The Chairman of the Board shall appoint a Baseball and Softball Advisory Committee to study the future of UVM Men’s Baseball and UVM Women’s Softball. This committee shall consist of 9 members and shall include a representative from the administration, athletic department, Board of Trustees, student association, alumni association, baseball team, softball team and 2 members from the greater Vermont community. The committee shall report back to the Trustees at the fall 2009 meeting with its preliminary findings and shall present a final recommendation to the Board of Trustees to be acted on at the February 2010 Board of Trustees meeting”.

Trustee Frank Cioffi seconded the motion and an opportunity for discussion was offered.

Trustee Susan Hudson-Wilson opined that the amendment is counter-productive, and if approved, would reverse a legitimate and well considered decision. She stated her opposition to the amendment.

Trustee Debbie McAney commented that the true issue before the Board was not about baseball but, rather, what is and is not in the purview of the Board. She reminded Trustees that the Board delegates its authority except for specific items as to which the Board reserves the right to act. She underscored that the Board does not reserve the right to act on athletic programs and she does not believe it is right to change the rules of the game midway through.

Trustee Jeanette White stated that she believes the decision to eliminate sports is a reserved Board right in light of its authority as to institutional plans.

Trustee Sam Bain said that, in his opinion, this decision had been thoroughly vetted and the right process followed. He believes that success should be measured by the pace of momentum the University has maintained during the current economic storm and that the administration has done what it needed to do, which the Board should let stand.
Trustee John Snow shared his perspective that the Board Reserved Rights declaration is not intended to be definitive. He thinks that the issue is whether there is some aspect of the decision to eliminate baseball and softball that affects important University long-term relationships, and whether or not this decision rises to the level of representing a threat to the institution. He does believe the process led to the announcement of the elimination of these two sports was faithfully executed. He acknowledged that this is a slippery slope and that it is the Trustees’ responsibility not to avoid slippery slopes but rather to tread carefully on them.

Chair Boyce stated that all Trustees should keep in mind that the Board has a responsibility to ensure that the administration acts strategically and in a manner consistent with applicable processes and that decisions the administration makes represent the best interest of the institution. He does not believe the process should be altered in face of difficult decisions.

Chair Boyce offered an opportunity to withdraw the motion. Trustee Davis respectfully asked for a vote on the amendment.

A vote was taken on the amendment by Chair Boyce asking for a show of hand by members in favor of the amendments followed by a show of hands by members opposed to the amendment. By a majority vote of 14 opposed and 8 in favor, the amendment was not passed.

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

At 10:40 a.m., the Chair offered a 5 minute break.

Other Business

At 10:50 a.m., a motion to enter into executive session for the purpose of discussing contracts, collective bargaining, and student discipline. The motion was made, seconded and approved. All in attendance were excused from the meeting with the exception of General Counsel Francine Bazluke, Vice Presidents Richard Cate, Thomas Gustafson and Gary Derr. Trustee John Hilton was not in attendance for this portion of the meeting.

Other Business

The meeting was re-opened to the public at 11:25 a.m. and the following resolutions presented:

Resolution regarding Presidential Evaluation and FY10 Compensation

WHEREAS, on this date the annual review subcommittee (“the subcommittee”) has reported on the status of its work to this Board;

BE IT RESOLVED, that the Board hereby authorizes the Board Chair to finalize the annual performance evaluation for the president and presidential compensation for FY10 following such additional consultation with the subcommittee as he deems necessary or desirable; and
BE IT FURTHER RESOLVED, that the Board Chair shall report his final actions to the Board in due course.

**Resolution Authorizing President to Continue Contract Negotiations**

RESOLVED, that the Committee authorizes and directs the President or his designee to continue contract negotiations pursuant to the status report received today.

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

**Adjournment**

There being no further business the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Bill Botzow, Secretary
Red Flag Rule Program

Background

The Federal Trade Commission (FTC) issued a regulation known as the Red Flag Rule (Sections 114 and 315 of the Fair and Accurate Credit Transactions Act), to be implemented no later than May 1, 2009 that is intended to reduce the risk of identity theft. This program is intended to detect, prevent, and mitigate opportunities for identity theft at the University of Vermont (UVM). The Red Flag Rule applies to UVM due to our participation in the Federal Perkins Loan program, our institutional loan programs, our extension of credit for student accounts, and the fact that we request background checks that may be “credit reports” for some potential employees and for certain students. Our analysis of the type and scope of activity covered in the regulation, and our risk assessment of potential identity theft opportunities has resulted in a determination that there is a low level risk of possible identity theft at the University of Vermont.

Scope of Covered Activities

- Participation in Federal Perkins Loan Program
- Institutional student loan programs
- Payment plans and promissory notes for covered student accounts.
- Background checks/credit reports in employee hiring process and for students enrolled in certain programs

Existing Policies and Practices

Many offices at UVM maintain files, both electronic and paper, of student biographical, academic, health, financial, and admission records. These records may also include student billing information, Federal Perkins Loan records, and personal correspondence with students and parents. Policies to insure compliance with Gramm-Leach-Bliley Act (GLB), Family Educational Rights and Privacy Act (FERPA), system and application security, and internal control procedures provide an environment where identify theft opportunities are mitigated. Records are safeguarded to ensure the privacy and confidentiality of student, parents, alumni and employees.

The Office of Human Resources performs credit and criminal background checks on some potential employees prior to their date of hire. This population includes police services employees. Additionally, criminal background checks are performed during the admission process for undergraduate and graduate level nursing students and for students applying to the College of Medicine. Many clinical placement sites also require background checks for students during clinical/practical training.
The University’s controls over privileged information include:

- Students are given the opportunity to set up an authorized payer that enables a third party (ex. Parents, or grandparents) access to their student account which includes information regarding their bill only.
- Access to non-directory student data in UVM’s Banner system is restricted to those employees of the University with a need to properly perform their duties. These employees are trained to know FERPA and Red Flag regulations.
- Social Security numbers are not used as primary student identification numbers and this data is classified as non-directory student data.
- Student Financial Services employees managing covered accounts are trained to know FERPA and Red Flag regulations.
- The University is sensitive to the personal data (unlisted phone numbers, dates of birth, etc.) that it maintains in its personnel files and databases. We will not disclose personal information, except by written request or signed permission of the employee (for example, the Campus Directory), or unless there is a legitimate business "need-to-know", or if compelled by law.
- Every effort is made to limit the access to private information to those employees on campus with a legitimate "need-to-know." University staff members who have approved access to the administrative information databases understand that they are restricted in using the information obtained only in the conduct of their official duties. The inappropriate use of such access and/or use of administrative data may result in disciplinary action up to, and including, dismissal from the University.
- The University’s official personnel files for all employees are retained in the Human Resources Office. Employees have the right to review the materials contained in their personnel file.
- The University’s College of Nursing and Health Sciences and College of Medicine each have policies and procedures relating to obtaining and safeguarding information obtained through background checks of students.
- The University has policies that address the safeguarding of various forms of confidential information. Those policies include:

Detecting Red Flag Activity

The University’s risk assessment has identified the following potential “red flags” as pertaining to its business activities:

- Address discrepancies noted in background check reports
- Presentation of suspicious documents
- Photograph or physical description on the identification is not consistent with the appearance of the person presenting the identification
- Personal identifying information provided is not consistent with other personal identifying information on file with the University
- Documents provided for identification that appear to have been altered or forged
- Unusual or suspicious activity related to covered accounts
• Notification from students, borrowers, law enforcement, or service providers of unusual activity related to a covered account
• Notification from a credit bureau of fraudulent activity

Responding to Red Flags

• Should an employee identify a “red flag” (patterns, practices and specific activities that signal possible identity theft as identified above), they are instructed to bring it to the attention of Director of the Student Financial Services, the Director of Human Resources, or University Registrar immediately. The administrator will investigate the threat of identity theft to determine if there has been a breach and will respond appropriately to prevent future identity theft breaches. Additional actions may include notifying and cooperating with appropriate law enforcement, notifying the student or employee of the potential for attempted fraud and notifying background check vendors of any address discrepancies between information contained in the background check report and the University’s records.

Oversight of Service Providers

• UVM employs Educational Computing Services Inc. (ECSI), a loan servicer for the purpose of billing and collection of Federal Perkins and UVM institutional loan payments. The only information that is shared with ECSI is information required to properly bill and collect loan payment as established by the Department of Education. This includes student name, address, telephone number, social security number, and date of birth. UVM will collect and maintain on file documents from ECSI confirming their compliance with “Red Flag Rules”.
• UVM uses several collection agencies for the purpose of collecting overdue student receivables, defaulted Institutional and Federal Perkins Loans. The only information that is shared with the collection agencies is that information required to perform address searches, and to properly bill and collect payment. This includes student name, address, telephone number, social security number, and date of birth. UVM will collect and maintain on file documents from all collection agencies regarding their compliance with “Red Flag Rules”.
• UVM employs Tuition Management Services (TMS), a tuition billing service, for monthly tuition payment plans. The only data that is shared with the TMS is information relating to the tuition payment plan established by the student or parent. UVM provides TMS with the student name, id, University e-mail, phone number, class and address. UVM will collect and maintain on file documents from TMS confirming its compliance with Red Flag Rules.
• UVM uses Nelnet to host our monthly billing statements and process on-line payments for tuition accounts. The only information that is shared with Nelnet is the student name, student id, address, and billing transactions. UVM will collect and maintain on file documents from Nelnet regarding their compliance with Red Flag Rules.
• UVM uses Pearson Government Solutions to print and host our 1098T. The only information that is shared with Pearson is the student name, social security number, address, and pertinent tax information. UVM will collect and maintain on file documents from Pearson regarding their compliance with Red Flag Rules.
• UVM contracts with Applicant Insight to perform background checks for employees and with Verified Credentials or Certiphi to perform background checks for students. UVM reviews the vendors’ security policies with regard to information in any background check reports to ensure that the vendors adequately safeguard sensitive information.
Periodic Update of Program

This program will be re-evaluated on or about the first day of each calendar year to determine whether all aspects of the program are up to date and applicable in the current business environments, and revised as necessary.

Program Oversight

Operational responsibility of the program is delegated to the Director of Student Financial Services and the University Registrar. The University Official responsible for the oversight and administration of this program is the Vice President for Enrollment Management.

Internal Procedures for Red Flag Rule

I. IDENTIFICATION OF RED FLAGS

In order to identify relevant Red Flags, the University considers the types of accounts that it offers and maintains, methods it provides to open its accounts, methods it provides to access its accounts, and its previous experiences with Identity Theft. The University identifies the following Red Flags in each of the listed categories:

A. Notifications and Warnings from Credit Reporting Agencies
   1. Report of fraud accompanying a credit report;
   2. Notice or report from a credit agency of a credit freeze on an applicant;
   3. Notice or report from a credit agency of an active duty alert for an applicant;
   4. Receipt of a notice of address discrepancy in response to a credit report request; and
   5. Indication from a credit report of activity that is inconsistent with an applicant’s usual pattern or activity.

B. Suspicious Documents
   1. Identification document or card that appears to be forged, altered or inauthentic;
   2. Identification document or card on which a person’s photograph or physical description is not consistent with the person presenting the document;
   3. Other document with information that is not consistent with existing student information;
   4. Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information
   1. Identifying information presented that is inconsistent with other information the student (example: inconsistent birth dates);
   2. Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a loan application);
   3. Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
   4. Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
   5. Social security number presented that is the same as one given by another student;
6. An address or phone number presented that is the same as that of another person;
7. A person fails to provide complete personal identifying information on an application when reminded to do so; and
8. A person’s identifying information is not consistent with the information that is on file for the student.

D. Suspicious Covered Account Activity or Unusual Use of Account
1. Change of address for an account followed by a request to change the student’s name;
2. Payments stop on an otherwise consistently up-to-date account;
3. Account used in a way that is not consistent with prior use;
4. Mail sent to the student is repeatedly returned as undeliverable;
5. Notice to the University that a student is not receiving mail sent by the University;
6. Notice to the University that an account has unauthorized activity;
7. Breach in the University's computer system security; and
8. Unauthorized access to or use of student account information.

E. Alerts from Others
1. Notice to the University from a student, Identity Theft victim, law enforcement or other person that the University has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.

II. DETECTING RED FLAGS

A. Existing Accounts
In order to detect any of the Red Flags identified above for an existing Covered Account, University personnel will take the following steps to monitor transactions on an account:

Detect
1. Verify the identification of students if they request information (in person, via telephone, via facsimile, via email);
2. Only accept requests to change billing addresses by mail or University assigned email and provide the student a reasonable means of promptly reporting incorrect billing address changes

B. Consumer (“Credit”) Report Requests
In order to detect any of the Red Flags identified above for an employment position or application to an academic program or activity for which a credit or background report is sought, University personnel will take the following steps to assist in identifying address discrepancies:

1. Require written verification from any applicant that the address provided by the applicant is accurate at the time the request for the credit report is made to the consumer reporting agency; and
2. In the event that notice of an address discrepancy is received, verify that the credit report pertains to the applicant for whom the requested report was made and report to the consumer reporting agency an address for the applicant that the University has reasonably confirmed is accurate.

III. PREVENTING AND MITIGATING IDENTITY THEFT
In the event University personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:
Prevent and Mitigate
1. Continue to monitor a Covered Account for evidence of Identity Theft;
2. Contact the student or applicant;
3. Contact the vendor providing a credit report if there is an address discrepancy
4. Change any passwords or other security devices that permit access to Covered Accounts;
5. Provide the student with a new student identification number;
6. Notify the Director of Student Financial Services or Human Resources for determination of the appropriate step(s) to take;
7. Notify law enforcement;
8. File or assist in filing a Suspicious Activities Report ("SAR"); or
9. Determine that no response is warranted under the particular circumstances.

Protect Student Identifying Information
In order to further prevent the likelihood of Identity Theft occurring with respect to Covered Accounts, the University will take the following steps with respect to its internal operating procedures to protect student identifying information:
1. Ensure that its website is secure;
2. Ensure complete and secure destruction of paper documents and computer files containing student account information when a decision has been made to no longer maintain such information;
3. Ensure that office computers with access to Covered Account information are password protected;
4. Avoid use of social security numbers;
5. Ensure computer virus protection is up to date; and
6. Require and keep only the kinds of student information that are necessary for University purposes.

IV. PROGRAM ADMINISTRATION

A. Oversight

The Director of Student Financial Services in conjunction with the University Registrar will be responsible for the performance of this program under the oversight of the Vice President for Enrollment Management. These responsible parties will designate a Program Administrator who will be responsible for the operational activities of the program. These operational activities include responsibilities for ensuring appropriate training of University staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, for determining which steps of prevention and mitigation should be taken in particular circumstances, for oversight of service provider compliance and for initiating the annual review of the Program with recommendations for change to be reported to the Vice President for Enrollment Management for consideration and approval.

B. Staff Training and Reports

University staff responsible for implementing the Program shall be trained in the detection of Red Flags and the responsive steps to be taken when a Red Flag is detected. University staff shall be trained, as necessary, to effectively implement the Program. University employees are expected to notify the Program Administrator once they become aware of an incident of Identity Theft or of the University’s failure to comply with this Program. At least annually the Program Administrator shall report to the Director of Student Financial Services and the University Registrar on compliance with this Program. The report should address such issues as effectiveness of the policies and procedures in addressing the risk of identity theft in connection with the opening and maintenance of Covered
Accounts, service provider arrangements, significant incidents involving identity theft and management’s response, and recommendations for changes to the Program.

**C. Service Provider Arrangements**

In the event the University engages a service provider to perform an activity in connection with one or more Covered Accounts, the University will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of Identity Theft.

1. Require, by contract, that service providers have such policies and procedures in place; and
2. Require, by contract, that service providers review the University's Program and report any Red Flags to the Program Administrator or the University employee with primary oversight of the service provider relationship.

**D. Non-disclosure of Specific Practices**

For the effectiveness of this Identity Theft Prevention Program, knowledge about specific Red Flag identification, detection, mitigation and prevention practices may need to be limited to those employees with a need to know them. Any documents that may have been produced or are produced in order to develop or implement this program that list or describe such specific practices and the information those documents contain are considered “confidential” and should not be shared with other University employees or the public. The Program Administrator shall inform those employees with a need to know the information of those documents or specific practices which should be maintained in a confidential manner.

**E. Program Updates**

The Program Administrator will periodically review and update this Program to reflect changes in risks to students and the soundness of the University from Identity Theft. In doing so, the Program Administrator will consider the University's experiences with Identity Theft situations, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, and changes in the University's business arrangements with other entities. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted the Program Administrator will update the Program subject to approval by the Vice President for Enrollment Management.
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES

AUDIT COMMITTEE

Charter

This Charter sets forth the responsibilities of the University Board of Trustees Audit Committee.

I. Principal Responsibilities

The principal responsibilities of the Committee shall include:

a. promoting the development and monitoring the effectiveness of an institutional system of risk assessment and internal controls;

b. reviewing and, as appropriate, making recommendations to the Board, regarding institutional policies relevant to the scope of Committee responsibilities, including conflict of interest, ethical and fraudulent conduct, whistleblower protection, and documents retention;

c. ensuring that audit plans encompass significant and material aspects of University operations;

d. full authority and oversight of the internal audit function including appointment decisions, performance evaluations, and employment termination of the chief internal auditor;

e. approving the selecting and retaining the independent auditor and recommending such additional audits as the Committee and/or the Board must approve under the Board’s reserved authority;

f. maintaining direct and effective communication with independent auditors on behalf of the Board;

g. reviewing the results of internal and external audits (including the annually audited financial statement), and assessing the quality and timeliness of management’s response and corrective actions;

h. evaluating the scope and quality of internal and independent audit services, and the degree of coordination and appropriate degree of independence between them; and
I. Reporting regularly and promptly to the Board regarding matters within the scope of the Committee charge.

II. Membership

The University of Vermont Board of Trustees shall annually appoint at least 7 of its members to the Committee. Its members shall be independent of management and the University including its component units and affiliated organizations. For the purposes of this charter, “independence” is defined as rendering a Trustee ineligible for Committee service if he or she is (1) is employed by the University; (2) is a partner or employee of a firm retained to conduct an audit of the University; (3) held such University employment or audit engagement at any time during the previous three years; or (4) is receiving consulting, advisory, or other compensatory fees for services provided to the University. Members of the Investment Subcommittee are eligible for appointment to the Audit Committee, but no such member may serve as its Chair or Vice Chair. The University President is ineligible for service as a member, ex officio or otherwise, of the Audit Committee, as a University official and employee.

Committee members shall otherwise be subject to the Conflicts of Interest Policy in the conduct of their work.

Members of the Committee shall receive orientation appropriate to their Committee membership. They will have the goal of understanding general accounting, business and finance principles, including the ability to read and understand institutional financial statements. If possible, at least one member of the Committee will possess accounting or financial expertise.

III. Authority

The Committee is authorized to investigate any matter within the scope of its Charter, with full and direct access to all pertinent University records, personnel, independent auditors and consultants.

IV. Adoption of Charter

This Charter shall be effective as of the date of its approval by the Board. The Committee will periodically review the Charter and recommend to the Board revisions thereto, in view of evolving accounting standards, legal developments and experience gained.
Audit Committee Guidelines

These Guidelines serve as an operational supplement to the Audit Committee Charter. They are intended to reflect generally accepted accounting industry standards and practices applicable to non-profit corporations and higher education institutions.

The Guidelines shall be reviewed annually by management, and management shall report annually to the Committee regarding the status of the Guidelines. The Committee shall make revisions to the Guidelines as necessary or appropriate in view of evolving accounting standards and practices, legal developments and experience gained.

I. Retention of the Independent Audit Firm

a. The Committee shall annually select and retain an independent audit firm to conduct mandatory annual financial attestation and/or compliance audits. In conjunction with such selection, the Committee will assess the independence and objectivity of the firm by reviewing and assessing the letter the firm issues under Independence Standards Board Standard No. 1. The Committee will review and assess any relationships disclosed that may impact auditor objectivity and independence.

b. The Committee shall solicit requests for proposals relative to mandatory annual financial attestation and/or compliance audits from qualified independent audit firms no less than once every five years.

c. In the event that an independent audit firm is retained to conduct a mandatory annual financial attestation and/or compliance audit for seven or more consecutive years, the Committee shall, as a condition of retention of the firm, require rotation of the lead audit partner on the University engagement.

II. Retention of Other Audit Services

a. The independent audit firm retained to conduct mandatory annual financial attestation and/or compliance audits generally shall not be eligible for University engagements to perform non-audit services that would violate the U.S. General Accounting Office Independence Standard, including bookkeeping; financial information systems design, implementation or operation; appraisal or valuation services, fairness opinions or contribution-in-kind reports; internal audit outsourcing services; management functions or human resources; broker or dealer, investment advisor, or investment banking services; legal services and expert services unrelated to the audit; or preparation of the indirect cost proposal or cost allocation plan. If, due to extenuating circumstances, and in the exercise of its reasonable discretion, management deems it to be in the best interests of the University to retain the independent audit firm for non-audit services, the proposed retention is subject to review and action by the Committee where the retention will result in fees of $10,000 or more.

b. Contracts for non-audit services with independent audit firms not already retained by the University to conduct mandatory annual financial attestation and/or compliance audits are subject to
review and recommendation by the Committee and subsequent Board consideration and action when such retentions will result in fees of $250,000 or more.

III. Oversight of Audits

The Committee will, no less than once annually, and otherwise periodically as necessary or desirable:

a. review annual audit plans developed by the Office of Institutional Risk Assessment and Audit Services, and receive periodic progress reports relative to such plans;

b. review and approve audit plans developed in consultation with independent audit firms, including (i) the critical accounting policies and practices to be used; (ii) all alternative treatments of financial information discussed with management, ramifications of alternative treatment and the treatment preferred by the firm; (iii) other material communications between the firm and management; and (iv) required communications from the firm under Statement of Auditing Standards No. 114, as amended;

c. review and approve mandatory annual financial attestation and/or compliance audit reports, including the annual audit reports on federal awards received as required by Office of Management and Budget Circulars (e.g., A-133) and the financial agreed upon procedures report of institutional National Collegiate Athletic Association programs;

d. resolve disagreements between management and the independent audit firm regarding financial reporting;

e. review the independent audit firm management letter comments regarding institutional financial internal controls, accounting policies and procedures, and management’s response to those comments;

f. review with management, the Office of Institutional Risk Assessment and Audit Services, and the independent audit firm their respective judgments about the quality of University accounting principles; the consistency, and the degree of aggressiveness or conservatism, in the application of accounting principles; the reasonableness of significant accounting judgments; and the clarity and completeness of the financial statements and related disclosures;

g. confirm with management, the Office of Institutional Risk Assessment and Audit Services and the independent audit firm respectively that the annual financial statements disclose all material off-balance sheet transactions, arrangements, obligations, and other relationships of the University with unconsolidated entities or other persons that may have a material current or future effect on institutional financial condition, and the results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses;

h. receive reports from management, the Office of Institutional Risk Assessment and Audit Services and the independent audit firm, regarding new and significant accounting standards to understand their impact on institutional financial statements;

i. receive reports from the Office of Institutional Risk Assessment and Audit Services regarding any financial fraud which, in single incident or aggregate, results in an institutional uninsured or insured loss in excess of $10,000;
j. review the organizational structure, qualifications, and independence, scope of services inclusive of office charter, and adequacy of resources of the University’s Institutional Risk Assessment and Audit Services Office; and

k. annually review and take action regarding recommendations from the President to the Committee regarding the appointment, reassignment or employment termination of the University’s Associate Vice President for Institutional Risk Assessment and Audit Services; review the appointment, evaluate the performance and set the salary of the chief internal auditor;

l. identify and document specific administrative responsibilities relevant to the routine operations of the office of chief internal auditor that are assigned to the President;

m. ensure that regular quality assessment reviews of the internal audit operations are performed in accordance with IIA standards; and

n. meet separately with both the internal and external auditors without management representatives present subject to the requirement of the Vermont open meeting laws.

IV. Internal Controls

a. Certifications

i. The Committee will receive periodic reports from management on attestations it is rendering in conjunction with mandatory annual financial attestation and/or compliance audits as well as significant and material debt financing, such as issuance of bonds.

ii. Without limitation on 4.a(i), the Committee will receive from the Chief Financial Officer record of certification along with the annual financial statement report that:

   a. He/she has approved the audit report,
   b. Based on his/her knowledge, the report does not contain any material untrue statements or omissions,
   c. Based on his/her knowledge, the financial statements materially present the financial condition and result of operations,
   d. He/she is responsible for establishing and maintaining a system of financial internal controls, and that
   e. He/she has disclosed to the auditors and the Audit Committee all significant internal control deficiencies and changes that could materially affect financial data.

b. Policy Review.

The Committee will receive for its review and comment and, if necessary, its recommendation to the Board, institutional policies relevant to its scope of work, including conflict of interest, ethical and fraudulent conduct, whistleblower protection, and documents retention.
c. Required Disclosures and Compliance Monitoring.

The Committee shall oversee compliance with the Board Reserved Rights and Delegated Authority resolution. Violations of the Board Reserved Rights and Delegated Authority resolution identified by management or the internal audit office shall be reported to the Committee.

d. Confidential Reporting.

The committee will ensure that the University has a mechanism that permits confidential communications from employees and others regarding potential financial or accounting improprieties or nonfeasance.

As approved by the Board of Trustee: November 13, 2004.
Approved as amended by the Board of Trustees: September 8, 2007.
Revised by the Audit Committee: November 12, 2007
Approved as amended by the Board of Trustees: December 1, 2007.
Revised by the Audit Committee: April 28, 2007
Approved by the Board: May 16, 2009
University Seal

History of the Official Seal of the University of Vermont

The University first adopted an official seal in 1807. The seal depicts the sun rising over the Green Mountains with the original "college edifice" (now the remodeled Old Mill) in the upper foreground, and a diagram of the Pythagorean Theorem, a quadrant, and a globe in the lower foreground. The outer ring of the oval includes the motto "Universitas V. Montis. A.D. 1791." "Collegiumque Agriculturae" in an inner ring notes the establishment of the College of Agriculture in 1865. From 1891 until 1975, the original seal was replaced with a round seal developed to include the College of Agriculture. In 1975, the University Board of Trustees approved a return to the original oval seal, modified to include the College of Agriculture representation within the inner ring of the oval.

Policy Statement

The embossed seal is, in addition to a symbol of the identity of the University, a corporate mark of identification demonstrating the authenticity of academic records, contracts and other documents executed in the name of the University. It is important as a fiduciary matter and to the integrity of the University that the seal ("Seal") be used only for permissible purposes by authorized University officials. This policy therefore sets forth rules regarding use of the Seal and describes how authorization is conferred.
Use to Authenticate Documents

The University Secretary or delegate(s) (“the Secretary”) shall be the keeper of the University Seal. The University Seal shall be used for the purposes of authenticating documents for both corporate and academic purposes by University officials whom the Secretary designates to do so.

University officials the Secretary authorizes to maintain and utilize the University Seal, including replicas, shall keep the Seal in a secure location that allows for vigilant oversight.

Use for Promotion, Marketing and Communications

The University Seal is a registered trademark that may be used only in accordance with the following institutional policies:

- Trademarks
- Licensing
- University Name, Symbols, Letterhead, and other Proprietary Indicia of Affiliation; Use of
- Graphic Design [in process]

Reason for the Policy

The Policy is established to fulfill fiduciary responsibilities to, and protect the integrity of, the University.

Strategic Direction

This Policy 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 of the Policy

The Policy applies to all proposed uses of the Seal, including without limitation to authenticate documents and for promotional, marketing or communications purposes, whether commercial or non-commercial.

Definitions

The Seal: is the emblem described in the introductory paragraph of this Policy.

The Secretary: is the Secretary of the Board of Trustees.
Procedures

Authorization of University officials to authenticate documents and/or to maintain the Seal or a replica thereof. The Secretary shall, through express and written delegation of authority, authorize specific institutional officials *ex officio* to maintain the Seal or a replica thereof. Any additional authorizations that become necessary in the course of University business must also be obtained from the Secretary.

Authorization of persons or entities to use the Seal for promotional, marketing, communications or related purposes. Policies and procedures applicable to use of the Seal for these purposes are listed in this Policy above.

Contacts

The Assistant Secretary to the Board, under the direction of the Secretary, is the official responsible for the operational interpretation of this Policy as it concerns use of the Seal to authenticate documents. Questions should be directed to:

Office of the Assistant Secretary of the Board and General Counsel:
351 Waterman   802 656 8585

The officials responsible for administering the Policies relating to Trademarks; Licensing; Use of University Name, Symbols, Letterhead, and other Proprietary Indicia of Affiliation; and Graphic Design are identified in those Policies.

Related Documents/Policies

- Contract Approval and Authority
- Graphic Design [*in process*]
- Licensing
  http://www.uvm.edu/~uvmppg/ppg/general_html/licensing.pdf
- Trademarks
  http://www.uvm.edu/~uvmppg/ppg/general_html/trademark.pdf
- University Name, Symbols, Letterhead, and other Proprietary Indicia of Affiliation
  http://www.uvm.edu/~uvmppg/ppg/general_html/letterhead.pdf
Effective Date

Approved by:

__________________________  President  ______________
Daniel M. Fogel                 Date

__________________________  Chair Board of Trustees  ______________
Ian D. Boyce                   Date