**AGENDA**

<table>
<thead>
<tr>
<th>Item</th>
<th>Enclosure/Exemption</th>
<th>Discussion Leader(s)</th>
<th>Time</th>
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<tbody>
<tr>
<td>Call to Order</td>
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<td></td>
<td>* 8:30 a.m.*</td>
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<tr>
<td>1. Approval of October 22, 2016 meeting minutes</td>
<td>Attachment 1</td>
<td>David Daigle</td>
<td>8:30-8:35</td>
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<tr>
<td>2. Public Comment</td>
<td></td>
<td>David Daigle</td>
<td>8:35-8:50</td>
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<td>3. Committee Reports</td>
<td></td>
<td>Bernard Juskiewicz</td>
<td>8:50-9:20</td>
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<tr>
<td>Audit</td>
<td></td>
<td>Bill Botzow</td>
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<td>Educational Policy &amp; Institutional Resources</td>
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<tr>
<td>Budget, Finance &amp; Investment</td>
<td></td>
<td>Don McCree</td>
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<td>Board Governance</td>
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<td>Frank Cioffi</td>
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<tr>
<td>4. VT Agricultural College Board</td>
<td></td>
<td>Anne O’Brien</td>
<td>9:20-9:25</td>
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<td>5. UVM Board</td>
<td></td>
<td>Lisa Ventriss</td>
<td>9:25-9:30</td>
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<td>6. Election of Board &amp; University Officers</td>
<td></td>
<td>David Daigle</td>
<td>9:30-9:35</td>
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<td>Frank Cioffi</td>
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<td>7. Retiring Trustee Resolutions</td>
<td></td>
<td>David Daigle</td>
<td>9:35-9:45</td>
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<tr>
<td>8. Approval of Consent Agenda</td>
<td>Attachment 2</td>
<td>David Daigle</td>
<td>9:45-9:55</td>
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<tr>
<td><strong>Motion to Enter Executive Session</strong></td>
<td><strong>Exemption(s)</strong></td>
<td>David Daigle</td>
<td>9:55-11:25</td>
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<tr>
<td>9a. Multipurpose Center</td>
<td>Contracts</td>
<td>Tom Gustafson, Richard Cate, Jeff Schulman</td>
<td></td>
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<tr>
<td>9b. Labor Relations Agreement Negotiations (United Academics &amp; United Electrical)</td>
<td>Collective Bargaining; contracts</td>
<td>Wanda Heading-Grant, Fran Bazluke</td>
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<td>9c. Advice of Legal Counsel</td>
<td>Advice of Legal Counsel</td>
<td>Tom Sullivan, Fran Bazluke</td>
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<tr>
<td><strong>Motion to Go Out of Executive Session</strong></td>
<td></td>
<td>David Daigle</td>
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<tr>
<td>10. Other Business</td>
<td></td>
<td>David Daigle</td>
<td>11:25-11:30</td>
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*Times are approximate. ** The Chair will seek a motion to go into Executive Session to discuss contracts, collective bargaining and to receive advice of legal counsel. No action is expected following the Executive Session.
A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, October 22, 2016, at 8:00 a.m. in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair David Daigle, Vice Chair Ron Lumbra, Secretary Joan Lenes, Briar Alpert, David Aronoff*, Cynthia Barnhart, Bill Botzow, David Brandt, Robert Brennan, Frank Cioffi, Carolyn Dwyer, Richard Gamelli, Bernie Juskiewicz, Curt McCormack, Don McCree*, Anne O’Brien, Ed Pagano, Kesha Ram, Soraiya Thura, Tom Sullivan, Donna Sweaney, Tristan Toleno, Lisa Ventriss and Jeff Wilson

MEMBERS ABSENT: Governor Peter Shumlin

ALSO PARTICIPATING: Provost David Rosowksy, Vice President for Legal Affairs and General Counsel Fran Bazluke, Vice President for Finance and Treasurer Richard Cate, Vice President for University Relations and Administration Thomas Gustafson, Vice President for Executive Operations Gary Derr, Vice President for Human Resources, Diversity and Multicultural Affairs Wanda Heading-Grant, Chief of Staff and Senior Counsel to the President Sharon Reich Paulsen, Director of Athletics Jeff Schulman, Special Advisor to the President John Evans, and Chief Internal Auditor Bill Harrison

*participated via conference phone

Chair David Daigle called the meeting to order at 8:04 a.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and it was voted to approve the minutes from the May 21, 2016, meeting as presented.

Public Comment

Chair Daigle opened the public comment period by inviting Meaghan Emery, Associate Professor of French and representative of United Academics (UA), to address the Board.

Associate Professor Emery outlined concerns regarding unanticipated consequences of the new Incentive Based Budgeting model (IBB). She stated that a goal of IBB was to bring increased transparency and decentralization of control over how departments and other units spend their money. From the faculty perspective, IBB has increased competition among units. She added that many conversations are being shaped by the imperative to maximize enrollment to raise more money, rather than to improve curriculum.

Associate Professor Emery moved on to state that IBB was to assign greater control over resource decisions to deans. However, she feels that the statement is misleading and that greater
control does not mean complete control. She added that IBB can only be more effective if it enables better resource management to ensure that the University fulfills its key educational goals and mission.

Associate Professor Emery stated that increasing revenue is the implicit goal of IBB and that that job is being passed to the academic units. If the academic units are raising the revenue, she inquired, what justifies the administration taking a large portion of the revenue for the Strategic Reserve Fund? She stated that, although the administration has promised to return needed dollars to the Colleges each year, it has suggested that it will reduce this “subvention” by 1-4% each year to increase the size of its own strategic fund.

Associate Professor Emery commented that faculty are rarely included in the budget decisions of deans. As a result, changes are being dictated in some departments and programs, without faculty input. Additionally, part-time faculty are being calculated into algorithms as costlier than full-time colleagues now that units are being charged for benefits per faculty member even though part-time members are not entitled to the same benefits. She opined that such a calculation is artificially inflating the cost of courses taught by part-time faculty, undermining the valued academic diversity and faculty, as well as creating hiring freezes and larger class sizes in spite of personnel cuts through attrition.

Associate Professor Emery concluded that she anticipates that these negative impacts will increase over time and she urged that IBB be restructured or replaced.

Committee Reports

Audit Committee

Chair Bernie Juskewicz offered highlights from the Audit Committee meetings held on July 11 and September 12, 2016. At both meetings, the Committee received brief status reports on the FY 2016 financial statements and OMB Circular A-133 audits, with Grant Thornton reporting no significant findings or internal weaknesses. University Controller Claire Burlingham informed the Committee of Government Accounting Standards Board (GASB) pronouncements for this year, and subsequent periods, and how each will affect the University’s financial statements.

The Committee was briefed by management on enterprise risk management risks related to research and sponsored project compliance and personal protected information breaches. Management also updated the Committee on the Information Security Officer recruitment process, noting that top candidates were invited to campus last month with a finalist anticipated to be recommended by the end of this month.

Chief Internal Auditor Bill Harrison provided updates regarding internal audit activity and the status of internal audit recommendations since the last report in February 2016.

Director of Compliance Tessa Lucey presented the first Office of Compliance Services’ annual report, to coincide with the new reporting guidelines accepted by the Audit Committee in February 2016. The report format provides a direct correlation between the University’s
compliance program and the seven elements of an effective compliance program identified in the Federal Sentencing Guidelines.

In September, the Committee conducted its annual review of the Audit Committee Charter and endorsed recommended revisions to ensure consistency between the newly approved reporting guidelines and the Committee’s principal responsibilities. Those revisions were presented at yesterday’s Committee of the Whole meeting and are included on today’s consent agenda.

Lastly, in September, the Committee received annual reports on FY 2016 Presidential housing budgeted expenditures, which totaled $78,604, and Presidential expense reimbursements and travel expenses, which totaled $9,186.97.

Chair Daigle pointed out that Englesby House is used for much more than presidential housing: many events utilize the location throughout the year, driving up the amount of the housing budget.

Trustee Lisa Ventriss asked if all the renovations that were to be made to Englesby House had been completed. Vice President for Finance and Treasurer Richard Cate replied that the original renovation plan referenced by Trustee Ventriss was completed. He further noted, however, Englesby is a 100-year-old building and there will continue to be updates necessary.

Regarding GASB, Chair Daigle reiterated that the changes will dramatically impact UVM’s financial statements. He also stated that the Board will need to consider amending the debt policy as a result.

**Educational Policy and Institutional Resources Committee (EPIR)**

Committee Chair Bill Botzow offered highlights from the meeting held yesterday afternoon. He began by reporting that Provost David Rosowsky gave an overview of his written report highlighting the UVM’s Teacher-Scholar model; Student Success and Global Educational initiatives; *Innovation and Entrepreneurship Ecosystem*; a University and Capital Projects update; new leadership appointments; and his challenge to faculty and students to come together to address climate change following his reading of this year’s first-year reading selection, *The Sixth Extinction*. Chair Botzow encouraged the Trustees to read the Provost’s report.

Chair Botzow noted that questions and comments from the Committee were invited on the following reports:

- Annual UVM Foundation Report, with input from Rich Bundy, UVM Foundation CEO and President
- Annual Enrollment Report, with input from Vice President for Enrollment Management Stacey Kostell.
- Annual Career Success Action Plan Progress Report, with input from Vice Provost for Student Life Annie Stevens and Career Services Director Pamela Gardner.
- Annual Information Technology Report, with input from Mara Saule, Chief Information Officer and Dean of Libraries, and Julia Russell, Associate Chief Information Officer.
Capital Projects Progress Report, with input from Bob Vaughan, Director of Capital Planning and Management.

Director of Capital Planning and Management Bob Vaughan reviewed a proposal for the Phase II deferred maintenance of Converse Hall for referral to the Budget, Finance & Investment Committee, which would utilize existing unrestricted plant funds that currently exist in residential life.

Laura Almstead, Faculty Senate Curricular Affairs Committee Chair, provided an overview of the academic proposal to terminate the Continuing and Distance Education Certificate of Health Care Management, as well as a proposal from the Graduate College, in conjunction with the College of Medicine, and Continuing and Distance Education, to create a new Certificate of Graduate Study in Health Care Management and Policy.

Provost Rosowsky introduced a resolution approving the establishment of an Institute for Environment at the University of Vermont. He reiterated that the development of the Institute was a faculty-led initiative that began in 2012, and that a University-wide Institute will reduce fragmentation, and encourage and support cross-disciplinary collaboration among the broad and active UVM community of environmental researchers and scholars.

The Committee approved the following action items for referral to the Budget, Finance & Investment Committee and recommendation to the Board:

- A resolution approving Residential Life FY 2017 Deferred Maintenance (Converse Hall, Phase II).
- A resolution approving the termination of the Continuing and Distance Education Certificate of Health Care Management and the creation of a new Certificate of Graduate Study in Health Care Management and Policy in the Graduate College.
- A resolution approving the establishment of an Institute for Environment at the University of Vermont.

Vice President for Human Resources, Diversity and Multicultural Affairs Wanda Heading-Grant provided a report on major institutional diversity initiatives and accomplishments, as well as significant upcoming projects. Highlights included the relocation and proposed renaming of the ALANA Student Center, efforts to provide more gender-inclusive restrooms at UVM, professional development for UVM’s senior leaders, implementation of the Framework for Inclusive Excellence, and the 10th Annual Blackboard Jungle symposium. Vice President Heading-Grant also identified national recognitions for UVM’s diversity and equity work.

Director of Global Educational Initiatives Gayle Nunley presented the second annual international opportunities report, providing an update on three key areas of campus internationalization: the Global Gateway Program; the fall 2016 launch of a Pre-Master’s Program to support graduate-level international enrollment; and study abroad and international affiliations.
Vice President for Enrollment Management Stacey Kostell gave a presentation on the seventh academic excellence goal to *increase domestic diversity and grow international student enrollments across the University*. Vice President Kostell provided:

- Enrollment data trends in international student and underrepresented student populations
- National demographics of high school graduates
- An update of the Global Gateway Program (GGP), along with the opportunities and challenges for the GGP
- Recruitment strategies for underrepresented students, including Vermont ALANA outreach initiatives.

Chair Botzow suggested that Trustees consider inviting international students to visit their homes, in an effort to make them feel more welcome and to teach them more about Vermont.

Regarding the Institute for Environment, Trustee David Brandt asked if any discussions occurred during Committee meeting different from those that took place at Committee of the Whole. Provost Rosowsky replied that EPIR discussed ways it would impact students, and the relationship of the new Institute to the Gund Institute.

Trustee Soraiya Thura commented on the annual diversity report, noting her full support for all diversity initiatives. She added that UVM’s priority for diversity inclusion influenced her decision to attend UVM.

*Budget, Finance and Investment Committee (BFI)*

Vice Chair Rob Brennan began by thanking Vice President for Finance and Treasurer Richard Cate, Budget Director Alberto Citarella, University Controller Claire Burlingham, and their teams, for all they do for the University. He moved on to report that, at yesterday’s meeting, the Committee voted unanimously to approve tuition rates for summer session and the total cost of attendance fees for the Global Gateway Program and Pre-Master’s Program for recommendation to the full Board.

He next reported that the endowment as of August 31, 2016, was at $451 million. Chair Brennan explained that, at the end of FY 16, the endowment was down due to market conditions, but that it has since recovered. He added that UVM tends to perform as well as schools with much larger endowments, which is an impressive accomplishment. At the recommendation of the Investment Subcommittee, the following resolutions were approved for recommendation to the full Board:

1. Reaffirmation of the Annual Approval of the Endowment Budget Policy (4.5%)
2. Reaffirmation of the Annual Approval of the Endowment Administration Fee (0.25%)
3. A resolution which restructures the oversight and broadens the role of the Socially Responsible Investing Advisory Council. This includes recommendations on the administration of the Clean Energy Fund and support the activities of the Association for the Advancement of Sustainability in Higher Education (AASHE) Stars Initiative.
Additionally, the Committee approved project expenditures for the Larner Learning Commons Project. The estimated budget is $2,100,000, which will be entirely supported by College of Medicine gift funds.

Chair Brennan stated that, as referred by EPIR, the Committee approved Phase II of the Residential Life FY 2017 deferred maintenance (Converse Hall) project. Phase I was approved for $2.0 million in October 2015 and the Committee will be asked to approve the spending of an additional $2.0 million for Phase II. The proposal calls for the use of unrestricted plant funds that currently exist in Residential Life.

He further reported that the Committee authorized the estimated total cost of renovations of the Billings Library of $8.5 million. The UVM Foundation has garnered commitments of $8.5 million for this project, but $4.3 million of that amount will not be available until some years after the proposed construction time frame. Therefore, the administration will utilize $4.3 million from the recent sale of County Apartments for this purpose. Once the gifts are received, the resources will be replenished and available for other such strategic initiatives.

The Committee also authorized project expenditures of the Kalkin Hall expansion project, at a cost of $11.0 million. Monies for these expenditures will be drawn from gift funds and general reserves of the University, and University funds will be reimbursed by future gift receipts. The breakdown of funding sources are: $1.25 million from gift receipts, $5.9 million from donor commitments, $2.75 million from future rents, and $1.1 million from the Capital Projects Pre-Funding Account. With the construction documents completed and previously bid, the regulatory process will proceed in order to begin construction in the spring of 2017.

As part of the Vice President for Finance and Treasurer’s report, the following updates were provided:

- The University received a clean audit for FY 2016 from Grant Thornton, which issued its opinion on October 17th, 2016.

- In FY 2016, 405 high school students took classes at UVM through the Dual Enrollment Voucher program, mostly during summer 2016. This compares to 358 and 406 Dual Enrollment students in FY 2015 and FY 2014 respectively.

- Vice President Richard Cate took a number of previously approved revenue contracts, each of which had a value in excess of $1 million, to the Executive Committee for ratification in September. The Controller’s Office is working with the Office of General Counsel to develop procedures regarding tracking, monitoring, and reviewing revenue contracts to ensure that they are appropriately routed in the future Vice President Cate will be requesting a policy change from the Committee on Board Governance, which would eliminate the need to bring to the Board revenue contracts that have values of less than $1 million.
• Budget Director Alberto Citarella reported on the FY Budget-to Actuals. The year-end year results were positive, with units spending $9.3 million less than budgeted and actual revenues $8.1 million over budget.

• Vice President Cate provided an annual update on the President’s Strategic Initiatives Fund, noting that funds are generally spent soon after they are realized.

CEO and President of the UVM Foundation Rich Bundy updated the Committee on the progress in fundraising for Capital Projects, including the STEM Facility and Alumni House. As to the Alumni House, of the $11.2 million non-debt goal, $9.9 million has been raised in non-debt funding. The Foundation is using $1.8 million of its own resources, and is continuing efforts to raise the remaining $1.2 million.

The STEM Facility will be funded by a mix of private gifts and non-debt funding. As of October 18, 2016, the Foundation had already secured $9.3 million in non-debt funding commitments; the remaining non-debt goal is $16.7 million. The donor pipeline remains robust, and the Foundation remains confident that a high percentage of the non-debt goal will be achieved through donor funding.

Claire Burlingham, University Controller, updated the Committee on changes in Government Accounting Standards. Noting that the University operates under the Government Accounting Standards Board (GASB), she reported that there are new standards that the University has to implement over the next several years, specifically GASB 72 and GASB 75. She further noted that the University’s Statement of Net Position will be negatively impacted (Unrestricted Net Assets will be below negative $200 million) even though the true financial condition of the University will remain unchanged. The Committee will have to consider changes to policies related to financial ratios so as to ensure that the ratios are meaningful after these changes.

Last, per the Board leadership’s request, Vice President Cate presented an option for addressing the current facilities and infrastructure deferred maintenance backlog, estimated at $350 million, as well as future repair and maintenance needs. The proposed option calls for incrementally increasing funding for facilities and infrastructure improvements by $1.5 million per year for the first three years and by $2 million per year for the subsequent years. Additionally, a total of $20 million would be borrowed on a short-term basis and eventually refunded with long-term debt. If this option were implemented, at the end of five years the University would be providing base funding for facilities needs at a rate of $18 million per year, bringing the University much closer to the funding level recommended by Sightlines, a campus asset management firm.

Trustee Curt McCormack asked if the Billings Library Renovation Project will include A/C and energy efficiency measures. Vice President Cate confirmed that the project will include both.

Trustee Botzow added that, in the Information Technology (IT) report presented to EPIR, there were measures outlined to catchup relative to technical services. He asked if such measures should be included in the overall plan to address deferred maintenance. Vice President Cate replied that IT-related resources are included in the deferred maintenance plan as a capital asset.
Trustee Anne O’Brien asked what factors are driving increases in UVM’s revenue. Vice President Cate replied that the biggest influence is that the ratio of out-of-state to in-state students was more than calculated and out-of-state students bring more revenue. He added that another source is related to a growth in graduate student programs that create revenue.

Referencing the issue of climate change, Trustee O’Brien stated that she keeps returning to the idea of divestment and investments in fossil fuels. She feels strongly that the Board has a responsibility to make a difference in this area. Chair Daigle replied by providing a brief history of discussions concerning divestment of fossils fuels, noting that it has been discussed by the Board at length multiple times. He encouraged all Trustees to read statements made by former Investment Subcommittee (ISC) Chair Samuel Bain and current ISC Chair Robert Brennan regarding the Board’s decisions to not divest from coal and fossil fuels.

ISC Chair Brennan added that the Board must maintain separation of environmental stewardship when conducting their fiduciary responsibilities in managing the endowment. He stated that the evidence around divestment affecting behavior of companies is inconclusive. Chair Daigle added that the decision to divest is not an easy one and that it is complicated by the fact that most of the University’s investments are in commingled funds.

Trustee Botzow questioned whether the Board needs to start considering investing proactively towards a solution. Chair Daigle agreed that proactive investments are a great way to address climate change and that the ISC is amenable to considering proposals of positive investments rather than divestment. ISC Chair Brennan added that the University’s investment advisors, Cambridge Associates, are asked to find proactive investments in renewables and clean energy, and they screen for investments in both categories. He stated that, at this time, there are not a lot of such opportunities, but that should change over time.

Trustee Jeff Wilson added that the issue of climate change is not going to go away and that it is changing constantly. He asked that the Board continue to be vigilant in reviewing policy that can address this issue.

Trustee Curt McCormack stated that divestment from stocks and holdings is strictly symbolic. He urged that the University consider to continue decreasing its use of fossil fuels.

Trustee Ed Pagano suggested that the Board use the Socially Responsible Investing Advisory Council as a resource regarding learning more about the topic of addressing climate change.

Trustee Frank Cioffi suggested that perhaps all Trustees could be invited to a future ISC meeting that could focus on these issues.

Chair Daigle concluded the BFI report by summarizing topics the Board will discuss further. He stated that deferred maintenance and revenue contracts will be included on the February agenda, and that GASB changes will be further discussed in detail at a future meeting. He noted that capital projects fundraising will be an ongoing agenda item.
Chair Tristan Toleno reported that the Board discussed the upcoming November 16th Legislative Summit, which will focus on health care issues and opportunities. Planning for the Summit includes a streamlined number of breakout groups, which was part of the learning from the last few Summits. He added that the panels look compelling and useful. He also stated that there was much discussion on how to generate participation from the legislature.

Chair Toleno also reported that the Board discussed the opportunity the University has to share the Economic and Community Impact Study as a way of establishing the context for the University’s appropriation requests. The Board also discussed the opportunity to share the STEM project with the legislative committees of jurisdiction on the capital budget, which had an appropriation supporting the project.

President Sullivan thanked Trustee Anne O'Brien for taking the lead on the Legislative Summit planning, noting that there is a lot that goes behind the scenes to prepare for it.

Chair Lisa Ventriss reported that the Board conducted its quarterly review of the Wilbur Trust financial report. She shared information about James Benjamin Wilbur, whom founded the Wilbur Trust. Mr. Wilbur was born in Cleveland, Ohio and after he retired, he settled in Manchester, Vermont. When he died in 1929, his estate came to UVM, including the Wilbur Trust and many memorabilia around campus. Chair Ventriss noted that Mr. Wilbur was fascinated with Ira Allen, and many items related to Ira Allen located throughout campus, were part of the Wilbur estate. Chair Ventriss moved on to report that the remainder of the meeting was held in executive session to discuss the appointment of public officers. She added that three self-perpetuating Trustees will retire from the Board in 2018.

Approval of Consent Agenda

Chair Daigle presented the revised consent agenda noting that the resolution accepting the proposed donor gift agreement and proclamation the Committee of the Whole endorsed following yesterday afternoon’s executive session has been added. An opportunity for discussion on any of the action items coming before the Board was offered.

Trustee Carolyn Dwyer noted that she is a tuition paying student and asked if she should abstain from voting on summer tuition. Vice President for Legal Affairs and General Counsel Fran Bazluke stated that there is no requirement that she abstain, unless the Board feels she should. The Board stated that they do not feel that Trustee Dwyer, or any of the other tuition-paying Trustees, need to abstain from voting on the summer tuition resolution.
There being no further discussion, the following resolutions were presented for approval:

**COMMITTEE OF THE WHOLE**

1. **Resolution Approving Power Purchase Agreement with Greenskies Renewable Energy, LLC.**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is authorized to enter into four fifteen-year power purchase agreements with Greenskies Renewable Energy, LLC for solar array installations on Mason/Simpson/Hamilton Residential Complex, Harris/Millis Residential Complex, Living/Learning Residential Learning Community and the Bailey/Howe Library. The term of the agreement is October 2016 through December, 2031, in an amount not to exceed $1,800,000.

2. **Resolution Approving Amendment for Ground Maintenance Contracts**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to execute contracts for the University’s grounds maintenance services with Landshapes Landscape Design and Installation, Levinsky Landscaping and Property Management, Inc., ML Scapes, Inc., Pleasant Valley, Inc., A. Marcelino and Company, Inc., and Cedar Glen Property Maintenance, Inc. Each contract will cover services from January, 1, 2013 through December 31, 2017, for an amount not to exceed $3,400,000 in aggregate.

This resolution replaces and supersedes the resolution approved by the Executive Committee on December 10, 2012.

3. **Resolution Approving Revenue Contract with Vermont Chamber Music Festival**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is authorized to enter into a four-year revenue contract from October 2016 to October 2020 with the Vermont Chamber Music Festival for the Festival to be held at UVM for each of the next four years with total estimated revenue to the University of $1,200,000.

*(As recommended by the Audit Committee, September 12, 2016)*

4. **Resolution Approving Audit Committee Charter Revisions**

WHEREAS, the Audit Committee has decided to ensure that its Charter and Guidelines are consistent with the Board’s reserved rights and delegated authority and the Committee’s principal responsibilities;

WHEREAS, the Audit Committee has decided to ensure that its Charter and Guidelines are consistent with previously approved guidance related to reports made to the Audit Committee on the status of internal compliance audits and government agency audits, investigations and reviews;
BE IT RESOLVED, that the Audit Committee hereby approves the revisions to the Audit Committee Charter and Audit Committee Guidelines, as included in Appendix A, for recommendation to the Board.

5. Resolution Accepting Proposed Donor Gift Agreement

RESOLVED, that the Committee hereby authorizes the President to complete discussions with a donor regarding naming of the Kalkin Hall expansion, on the terms and conditions described on this date.

6. Proclamation Regarding the Naming of the College of Medicine in Recognition of Robert Larner, M.D.

WHEREAS, on September 12, 2016, the Executive Committee authorized the President to accept the naming request of a donor’s proposed gift to the University of Vermont Foundation, Inc.; and

WHEREAS, on September 23, 2016, the University announced a $66 million gift from UVM alumnus and Vermont native Robert Larner, ’39, M.D. ’42 and his wife, Helen; and

WHEREAS, in recognition of the Larners’ lifetime giving and estate commitments totaling $100 million, the College of Medicine was named The Robert Larner, M.D. College of Medicine;

THEREFORE, BE IT RESOLVED, that the Board hereby expresses it deepest gratitude and heartfelt appreciation to Robert and Helen Larner for their outstanding philanthropy and extraordinary commitment to medical education at the University of Vermont.

EDUCATIONAL POLICY & INSTITUTIONAL RESOURCES COMMITTEE

5.7. Resolution Approving Residential Life FY 2017 Deferred Maintenance (Converse Hall, Phase II)

WHEREAS, the administration today reported on the strategic and operational need for the Converse Hall (Phase II) Deferred Maintenance Project and the associated program scope;

THEREFORE, BE IT RESOLVED, that the Committee hereby approves the conceptual scope that the administration presented on this date and refers the Project to the Budget, Finance & Investment Committee for financial review and approval.

6.8. Resolution Approving the Termination of the Continuing and Distance Education Certificate of Health Care Management and the Creation of a New Certificate of Graduate Study in Health Care Management and Policy in the Graduate College
RESOLVED, that the Board of Trustees approves the termination of the Continuing and Distance Education Certificate of Health Care Management and the creation of a new Certificate of Graduate Study in Health Care Management and Policy as offered by the Graduate College, in conjunction with the College of Medicine, and Continuing and Distance Education, and as approved and advanced by the Provost and President on September 28, 2016.

7.9. Resolution Approving the Establishment of an Institute for Environment at the University of Vermont

RESOLVED, that the Board of Trustees approves the establishment of an Institute for Environment at the University of Vermont as recommended by the Faculty Senate on September 26, 2016 and approved by the President and Provost on September 28, 2016.

BUDGET, FINANCE & INVESTMENT COMMITTEE

8.10. Resolution Approving Summer Session Tuition

RESOLVED, that the Board of Trustees hereby approves the tuition rate for the Summer Session of $440 per credit hour for in-state students and $1,113 per credit hour for out-of-state students. The changes will become effective for the 2017 Summer Session.

9.11. Resolution Setting Total Cost of Attendance Fees for the Global Gateway and the Pre-Master’s Programs (Summer and Fall 2017, Spring 2018)

WHEREAS, the University, after a request-for-proposal process, entered into an agreement with Study Group to provide services to UVM in support of the University’s Global Gateway Program; and

WHEREAS, in January 2016, the Board approved amendments to the agreement with Study Group, which included additions to the Study Group Agreement to create a Pre-Master’s Global Gateway Program;

THEREFORE, BE IT RESOLVED, that for the 2017 Summer Semester, the tuition component of the total cost-of-attendance fee charged to Global Gateway Program students and Pre-Master’s Program student will be set at the same tuition rate as the prior Spring semester.

FURTHER RESOLVED, for those Global Gateway students whose program includes a semester of non-credit coursework, that the tuition component of their total cost-of-attendance fee for that semester shall be set at $6,900 per semester for Fall 2017 and Spring 2018.
(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE, July 1, 2016)

40.12. **Resolution Reaffirming Endowment Administration Fee Policy**

RESOLVED, that the *Endowment Administration Fee Policy* is reaffirmed as reads below:

BE IT RESOLVED, that the Board of Trustees hereby approves a 0.25 percent fee applied to the University endowment for FY 2017 to cover reasonable costs associated with endowment administration, management and operation; and

BE IT FURTHER RESOLVED, that on a fiscal year basis, the fee will be reviewed and assessed annually as 0.25 percent of the average market value of the University endowment for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make a recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Administration Fee Policy* each year no later than December 31.

*Adopted by: Board of Trustees - September 13, 2003*
*Reaffirmed: Board of Trustees - September 8, 2007*
*Board of Trustees - September 5, 2008*
*Amended: Board of Trustees - October 24, 2009*
*Reaffirmed: Board of Trustees - October 30, 2010*
*Board of Trustees - October 22, 2011*
*Board of Trustees - November 8, 2012*
*Board of Trustees – October 26, 2013*
*Board of Trustees - October 18, 2014*
*Board of Trustees – October 3, 2015*
*Board of Trustees – October 22, 2016*

41.13. **Resolution Reaffirming the Endowment Budget Policy**

RESOLVED, that the *Endowment Budget Policy* is reaffirmed as reads below:

BE IT RESOLVED, that the annual budget for spending from Endowment be set at 4.5 percent of the average market value for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Budget Policy* each year no later than December 31.

*Adopted by: Board of Trustees - May 13, 1995*
(RECOMMENDED BY INVESTMENT SUBCOMMITTEE, September 28, 2016)


WHEREAS, the Board on November 8, 2012, established the Socially Responsible Investing Advisory Council (SRIAC), whose charge was to consider specific investment policy proposals based on moral, ethical or social criteria; review the impact of any such proposal on current and potential University investments; solicit input on policy proposals from the campus community at large; and forward its investment policy recommendations to the Investment Subcommittee, which in turn shall report its recommendations to the Budget, Finance and Investment Committee; and

WHEREAS, the Investment Subcommittee in January 2016, instructed the administration to restructure and broaden the role of SRIAC at the University to better serve the University in its commitment to be a responsible and proactive institution; and

WHEREAS, the Socially Responsible Investing Advisory Council made a formal recommendation in July 2016 to the Vice President for Finance and Treasurer, specifically, that the Socially Responsible Investing Advisory Council broaden its role to support the Vice President for Finance and Treasurer in fulfilling his/her responsibilities related to the administrative oversight of the Clean Energy Fund, and any other issues as determined by the Vice President for Finance and Treasurer; and

WHEREAS, the Budget, Finance and Investment Committee, following a favorable recommendation from the Investment Subcommittee, recommends that the Board accept the Advisory Council’s recommendations;

THEREFORE, BE IT RESOLVED, that the Board hereby accepts the recommendation of the Socially Responsible Investing Advisory Council and delegates responsibility for the Socially Responsible Investing Advisory Council to the Vice President for Finance and Treasurer.
13.15. **Resolution Approving Larner Learning Commons Project**

WHEREAS, the administration today reported on the estimated cost for the completion of the Larner Learning Commons Project and presented a funding plan,

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the $2,100,000 project expenditures, to be expended in a manner consistent with the report made on this date; and

BE IT FURTHER RESOLVED, that the $2,100,000 of funds for such expenditures be drawn from the College of Medicine gift funds.

14.16. **Resolution Approving Residential Life FY 2017 Deferred Maintenance (Converse Hall, Phase II)**

WHEREAS, the administration today reported on the estimated cost for the completion of the Converse Hall (Phase II) Deferred Maintenance Project and presented a funding plan,

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the $2,000,000 project expenditures, to be expended in a manner consistent with the report made on this date; and

BE IT FURTHER RESOLVED, that the $2,000,000 of funds for such expenditures be drawn from the unrestricted plant funds from Residential Life.

15.17. **Resolution Authorizing Billings Library Renovation Project Expenditures**

WHEREAS, the administration today reported on the estimated cost for the completion of the Billings Library Renovation Project and presented a funding plan,

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the $8,500,000 project expenditures, to be expended in a manner consistent with the report made on this date; and

BE IT FURTHER RESOLVED, that the $8,500,000 of funds for such expenditures be drawn from the gift funds and general fund assets allocation.

16.18. **Resolution Authorizing Kalkin Hall Expansion Project Expenditures**

WHEREAS, the administration today reported on the estimated cost and a funding plan for the completion of the Kalkin Hall Expansion Project,

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the $11,000,000 project expenditures, to be expended in a manner consistent with the report made on this date; and
BE IT FURTHER RESOLVED, that the $11,000,000 of funds for such expenditures be drawn from gift funds and general reserves of the University, which will be reimbursed by future gift receipts.

A motion was made, seconded, and the consent agenda was unanimously approved as presented.

President Sullivan took an opportunity to thank Vice President for Executive Operations Gary Derr, Trustee Coordinator Corinne Thompson, and Assistant Trustee Coordinator Erin Dickinson for all of their support in ensuring the Board meeting ran smoothly amidst many large logistical challenges that occurred as a result of Vice President Biden’s visit to campus.

At 9:14 a.m., the Chair called for a brief break.

**Executive Session**

At 9:23 a.m., Chair Daigle entertained a motion to enter into executive session to consider contracts, and the appointment or evaluation of a public official, premature general public knowledge of which would clearly place the University at substantial disadvantage, to receive advice of counsel; and collective bargaining. He noted that no action was anticipated following the session, which was expected to last approximately 60 minutes. The motion was made, seconded and approved.

Vice Presidents Rosowsky, Cate, Gustafson, Derr, Bazluke; Chief of Staff and Senior Counsel to the President Sharon Reich Paulsen and Chief Internal Auditor Bill Harrison, were invited to remain.

After the second item, Chief Internal Auditor Harrison was excused and Special Advisor to the President John Evans and Director of Athletics Jeff Schulman were invited to join.

Following the third item, Special Advisor Evans and Director Schulman were excused and Vice President for Human Resources, Diversity and Multicultural Affairs Wanda Heading-Grant was invited to join for the next three topics then excused.

At 10:55 a.m., the meeting was re-opened to the public.

**Adjournment**

There being no further business, the meeting was adjourned.

Respectfully submitted,

David A. Daigle, Chair
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. At least annually, reviewing with management the University’s processes for identifying, prioritizing, mitigating, and reporting institutional risks;

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. implementing a selection process to retain the independent auditor and making a recommendation to the Board of Trustees for approval. 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 statements), and assessing the quality and timeliness of management’s response and corrective actions;

h. reviewing the effectiveness of the University’s practices related to monitoring its compliance with laws and regulations;

i. reviewing the results of management’s investigation and resolution of any reported, or otherwise discovered, significant instances of noncompliance;
j. evaluating the scope and quality of internal and independent audit services, and the degree of coordination and appropriate degree of independence between them;

k. reporting regularly and promptly to the Board regarding matters within the scope of the Committee charge; and,

l. periodically reviewing expense reimbursements, or summaries thereof that have been submitted by the President and reviewed and certified by the Vice President for Finance and Treasurer.

II. Membership

The University of Vermont Board of Trustees shall annually appoint at least 5 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 (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. All members should have a general understanding of general accounting, business and finance principles, including the ability to read and understand institutional financial statements, whether gained preceding service on this Board of Trustees or during Committee orientation. At least one member of the Committee should 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 annually 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 authorize and direct the Committee Chair to retain the independent audit firm to conduct the mandatory annual audit of the financial statements and/or compliance audits. In conjunction with such retention, the Committee will assess the independence and objectivity of the firm by obtaining statements from the firm on relationships between the firm and the University. 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 the mandatory annual audit of the financial statements 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 the mandatory annual audit of the financial statements 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 the mandatory annual audit of the financial statements and/or compliance audits generally shall not be eligible for University engagements to perform non-audit services that would violate the U.S. Government Accountability Office Independence Standard. 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 the mandatory annual audit of the financial statements 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 Audit Services, and receive regular progress reports relative to such plans;

b. review 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. subject to subsequent Board consideration and action, review and accept the mandatory annual audit of the financial statements. Review the Office of Management and Budget Circular A-133 audit, 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 and information technology and security internal controls, accounting policies and procedures, and management’s response to those comments;

f. review with management 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 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 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 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, independence, scope of services inclusive of office charter, and adequacy of resources of the University’s Office of Audit Services;

k. annually 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 Institute of Internal Auditors 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

The University’s executive management and the Board of Trustees Audit Committee have adopted the Committee of Sponsoring Organizations (COSO) Internal Control – Integrated Framework to help assess and enhance its internal control systems.

a. Certifications

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

ii. Without limitation on IV.a(i), the Committee will receive from the Vice President for Finance and University Treasurer a record of certification along with the annual financial statement report that:

   a. He/she has approved the financial statements,

   b. Based on his/her knowledge, the report does not contain any material errors 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 internal controls over financial reporting, 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.

V. Enterprise Risk Management

a. Oversee management’s enterprise risk management process on behalf of the Board.

b. Receive periodic updates on management’s process to identify, prioritize, mitigate, and report institutional risks including the process to map risks to relevant Board Committees.

VI. Compliance

a. Review with the Office of Compliance Services and management the effectiveness of the University’s practices related to monitoring compliance with laws and regulations;

b. Review with the Office of Compliance Services and management, the results of management’s investigation and resolution of any reported, or otherwise discovered, significant instances of noncompliance; findings of internal compliance auditing and monitoring activities;

c. Review with the Office of Compliance Services and management, the findings of government agency audits, investigations, reviews any compliance examinations by regulatory agencies and any auditor observations; monitoring activities that the Director considers significant, that are initiated by a government agency as a result of a whistleblower report, or on a for-cause basis, or that result in a fine, penalty, refund, disallowance or questioned cost in excess of $10,000;

d. Review with the Office of Compliance Services and management, the process for communicating the code of business conduct, code of ethical behavior or other such code to
University personnel and for monitoring compliance therewith;

e. Receive periodically, but not less than annually, reports from the Office of Compliance Services on its activities;

f. Receive updates from the Office of Compliance Services and management on new and emerging compliance issues, including their impact to the University.; and,

g. Receive as needed, through the Audit Committee Chair, compliance matters communicated directly by the Chief Internal Auditor or Director of Compliance Services.

As approved by the Board of Trustees: 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, 2009
Approved by the Board of Trustees: May 16, 2009
Revised by the Audit Committee: October 11, 2010
Approved by the Board of Trustees: October 30, 2010
Revised by the Audit Committee: November 14, 2011
Approved by the Board of Trustees: February 4, 2012
Revised by the Audit Committee: September 15, 2014
Approved by the Board of Trustees: October 18, 2014
Revised by the Audit Committee: September 12, 2016
Approved by the Board of Trustees: October 22, 2016
COMMITTEE OF THE WHOLE

(As recommended by the Audit Committee on November 7, 2016)

1. Acceptance of Fiscal Year 2016 Audited Financial Statements

WHEREAS, the financial Statements of the University of Vermont and State Agricultural College for the Fiscal Year ended June 30, 2016, have been audited by Grant Thornton LLP, Certified Public Accountants, in accordance with 16 V.S.A. Section 2281(a);

BE IT RESOLVED, that the Board of Trustees hereby accepts the FY 2016 Audited Financial Statements as recommended by the Audit Committee and presented today, and acknowledges receipt of the FY 2016 Financial Report.

(As recommended by the Audit Committee on November 7, 2016)

2. Resolution Amending the Code of Business Conduct Policy to the Code of Conduct and Ethical Standards Policy

WHEREAS, the University’s Code of Business Conduct Policy is being amended to the University’s Code of Conduct and Ethical Standards Policy so as to incorporate best practices for higher education, address those areas that pose the greatest risk to the University, and help members of the University community make ethical choices if and when they are faced with a difficult decision or situation;

BE IT RESOLVED, that the Board of Trustees approves the Code of Conduct and Ethical Standards Policy as recommended by the Audit Committee and included as Appendix A to this document.

*Included for informational purposes as Appendix B to the consent agenda is the current Code of Business Conduct.

(As recommended by the Board Governance Committee on December 12, 2016)

3. Resolution Approving Amendments to the Presidential Performance Review Policy

WHEREAS, the Board Governance Committee reviewed and endorsed amendments to the Presidential Performance Review Policy on December 12, 2016;
BE IT RESOLVED, that the Board of Trustees hereby approves the amendments to the Presidential Performance Review Policy set forth in Appendix C to this document.

EDUCATIONAL POLICY & INSTITUTIONAL RESOURCES

4. Resolution Approving Initial Project Concept for an On-Campus Multipurpose Center

WHEREAS, the Board approved the commencement of a multipurpose center design development process by Resolution of February 8, 2014; and

WHEREAS, the Board approved the establishment of, and appointments to, a Multipurpose Center Work Group on May 21, 2016, to provide guidance to the administration on a potential multipurpose center project; and

WHEREAS, the administration today reported on the results of the preliminary study of the feasibility and programmatic concept of an on-campus multipurpose center project;

THEREFORE, BE IT RESOLVED, that the Committee hereby approves the concept for an on-campus multipurpose center, as presented on this date by the administration, and recommends that the Budget, Finance & Investment Committee authorize the administration to proceed with the schematic design phase, and to generate an associated project cost estimate and funding plan for review by the Budget, Finance & Investment Committee.

5. Resolution Approving the Creation of a PhD in Human Functioning and Rehabilitation Science in the Graduate College

RESOLVED, that the Board of Trustees approves the creation of a PhD in Human Functioning and Rehabilitation in the Graduate College, as approved and advanced by the Provost on October 24, 2016, and the President on October 28, 2016.

6. Resolution Adopting Amendment to the University Manual Regarding Approval of Academic Centers and Institutes

RESOLVED, that the Board of Trustees hereby authorizes the amendment by the University, through the Office of the Provost, of Section 204.5 of the University and University Officers’ Manual. The amendment will clarify the Faculty Senate’s role regarding proposals to establish, substantially change or eliminate academic centers and institutes. The amended Section 204.5 was approved and advanced by the Provost following consultation with the Faculty Senate and is attached here as Appendix D.

7. Resolution Reaffirming Equal Opportunity Policy Statements

RESOLVED, that the Board reaffirms the Equal Opportunity in Educational Programs and Activities and Non-Harassment Policy Statement with no changes, attached here as Appendix E; and
BE IT FURTHER RESOLVED, that the Board reaffirms the Equal Employment Opportunity/Affirmative Action Policy Statement with no changes, attached here as Appendix F both effective as of February 4, 2017.

BUDGET, FINANCE & INVESTMENT COMMITTEE

8. Resolution Revising Debt Policy

WHEREAS, in September 2004, the Board adopted a Debt Policy to guide the portfolio management of debt, to be reviewed annually; and

WHEREAS, since its creation in 2006, the Budget, Finance, and Investment Committee has been charged with the annual review of the Debt Policy, which it most recently reaffirmed in February 2016;

BE IT RESOLVED, that the Board hereby accepts revisions to the Policy, appearing as Appendix G to this document.

(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE, December 19, 2016)

9. Resolution Approving Revisions to the Cash Management and Liquidity Policy

WHEREAS, in September 1993, the Board adopted the Cash Management Policy to govern the investment of UVM pooled cash; and

WHEREAS, in February 2016, the Board revised and re-named the scope of the Cash Management Policy as the Cash Management and Liquidity Policy to establish a minimum liquidity target for the University comprised of liquid funds that are unrestricted, unencumbered general fund net assets; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Cash Management and Liquidity Policy; and

WHEREAS, the Investment Subcommittee reviewed revisions to the Cash Management and Liquidity Policy, as appended;

THEREFORE, BE IT RESOLVED, that the Investment Subcommittee hereby recommends that the Board adopt the amended Cash Management and Liquidity Policy, appearing as Appendix H to this document.

10. Resolution Approving Revisions to the Statement of Investment Policies and Objectives

WHEREAS, in February 2011, the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM’s Long-Term Investment Pool, including the Endowment Fund; and
WHEREAS, the Investment Subcommittee is charged with an annual review of the Statement of Investment Policies and Objectives; and

WHEREAS, the Investment Subcommittee reviewed revisions to the Statement of Investment Policies and Objectives, as appended;

THEREFORE, BE IT RESOLVED, that the Investment Subcommittee hereby recommends that the Board adopt the amended Statement of Investment Policies and Objectives, appearing as Appendix I to this document.

11. Resolution Setting Maximum Cost of Fees

RESOLVED, that the Board of Trustees hereby sets the maximum room and meal plan rates and other fees for Fiscal Year 2018 as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room (Standard Double)</td>
<td>$7,900</td>
</tr>
<tr>
<td>Predominate Meal Plan</td>
<td>$4,122</td>
</tr>
<tr>
<td>UG Student Government Association (SGA) Fee</td>
<td>$204</td>
</tr>
<tr>
<td>UG Inter Residence Association (IRA) Fee</td>
<td>$30</td>
</tr>
<tr>
<td>Total Comprehensive Fee</td>
<td>$2,032</td>
</tr>
</tbody>
</table>

12. Resolution Authorizing Initiation of Schematic Design Phase and Estimate of Project Cost for an On-Campus Multipurpose Center

WHEREAS, the Educational Policy & Institutional Resources Committee has reviewed the preliminary study of the feasibility, programming and conceptual design of an on-campus multipurpose center project and affirmatively referred the project to this Committee for financial review; and

WHEREAS, the administration today asked this Committee to recommend initiation of the schematic design phase of an on-campus multipurpose center project and generation of an associated project cost estimate and funding plan; and

WHEREAS, the administration today reported that the estimated cost of completing the schematic design phase of the Project and generating a total Project cost estimate and funding plan is $750,000;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the administration to proceed with the schematic design phase of the Project and generate an associated project cost estimate and funding plan at a cost not to exceed $750,000 and that the funds be drawn from the capital project pre-funding account.

13. PLACE HOLDER: Resolution Approving Deferred Maintenance Funding Plan
Code of Conduct and Ethical Standards

Code Statement

The University of Vermont is committed to continually strengthening its ethical culture. From the University's motto of “Studiis et Rebus Honestis” (Integrity in Theoretical and Practical Pursuits) to our values stated in “Our Common Ground” ([http://www.uvm.edu/~president/?Page=miscellaneous/commonground.html](http://www.uvm.edu/~president/?Page=miscellaneous/commonground.html)), we are all expected to perform our jobs and to conduct business in an ethical and compliant manner. All University personnel have a shared responsibility to the University, to those we serve, to our community and to each other.

Reason for the Code

This Code of Conduct and Ethical Standards (“Code”) is a tool to help you comply with legal and regulatory requirements and with University policies and procedures. The Code is designed to help you make ethical choices when and if you are faced with a difficult decision or situation.

Applicability of the Code

This Code applies to all University of Vermont personnel. For the purpose of this Code, personnel includes but is not limited to, faculty, staff, volunteers, student employees, and individuals hired or contracted to perform a function that is generally associated with an employment relationship (i.e., temporary employee, student employees).

Code Elaboration

The Office of Compliance Services is responsible for the oversight of the University’s compliance program; however, we are all individually responsible to be aware of and comply with the legal and regulatory requirements and with University policies and procedures relevant to our jobs. In addition, certain professions also have additional ethical standards or professional codes of conduct which members of those professions are also expected to comply with. Examples include, but are not limited to, the American Medical Association’s Code of Medical Ethics and the American Bar Association’s Model Rules of Professional Conduct.
Depending on the alleged violation, there may be mandatory reporting requirements (see Minors; Protection on Campus and Campus Security Authorities (CSA) - Designation of and Reporting By). If not required by a regulation, you may feel a moral obligation to report. Additionally, under this Code, reporting all types of wrongdoing is encouraged. For the purpose of this policy, “wrongdoing” is defined as:

- Real or suspected violations of legal and regulatory requirements (laws, acts, statutes, regulations), policies and procedures and/or professional standards.
- Fraudulent or dishonest conduct resulting in violation of law or University policy.

Not all compliance reports have to be reports of wrongdoing. You may also use any of the compliance reporting mechanisms if you need guidance or clarification on a policy or procedure, if you have questions related to a University process designed to comply with a legal or regulatory requirement or if you are looking for assistance or have questions when faced with an ethical decision or dilemma.

**Compliance Reporting System:**
The University has established a robust compliance reporting system made up of several reporting mechanisms. For more information on available reporting mechanisms, review the Whistleblower Policy: Reporting, Protections, & Non-Retaliation policy located at [http://www.uvm.edu/policies/general_html/whistleblower.pdf](http://www.uvm.edu/policies/general_html/whistleblower.pdf). This policy outlines the different mechanisms including the Compliance and Ethics Reporting and HelpLine (“HelpLine”). Policies that contain reporting requirements include the preferred methods of reporting that should be followed. If a policy is silent to reporting requirements, if anonymity is requested and not provided by other reporting channels, reports may be made through the HelpLine.

For reports that are made directly to a manager or supervisor, the manager/supervisor is required to notify the Director of Compliance or the Office of General Counsel when the manager/supervisor suspects the report may result in either a violation to legal or regulatory requirements or fraudulent activity. Managers/Supervisors are encouraged to seek the advice of Compliance Services as soon as possible when they receive reports of alleged noncompliance to a legal or regulatory requirement.

Reports made through the HelpLine are received and screened through a third-party vendor. While some other mechanisms can accept anonymous reports, the best reporting method for maintaining the anonymity of anonymous reports is the HelpLine. Regardless of the reporting mechanism used, all reports are kept as confidential as possible. However, anonymity can never be guaranteed. For more information on anonymous reporting, refer to the HelpLine FAQ’s ([http://www.uvm.edu/compliance/help_line_faq](http://www.uvm.edu/compliance/help_line_faq)).

**Non-Retaliation:**
The University prohibits retaliation or retribution for a good faith report, for supporting a person who files a good faith report, or for participating in an investigation of a report. Individuals making bad faith reports are not afforded these protections. The University has adopted, “Whistleblower Policy: Reporting, Protections & Non-Retaliation” policy ([http://www.uvm.edu/policies/general_html/whistleblower.pdf](http://www.uvm.edu/policies/general_html/whistleblower.pdf)). Prohibited retaliation may
result in discipline up to and including discharge from employment independent of the outcome of the reported wrongdoing

**Disciplinary Action:**
If wrongdoing has been substantiated, those individuals found to have committed the wrongdoing will be subject to disciplinary action at a level appropriate for the violation. Levels of disciplinary action range from a verbal warning up to dismissal. Disciplinary action could also include termination of University institutional recognition or external affiliate relationships with the University and, depending on the University’s regulatory requirements, and could even include civil claims and criminal charges. Investigation and determination of discipline for represented employees will occur in accordance with provisions of the applicable collective bargaining agreement.

**Definitions**

**Bad Faith Report:** A report that is made to deceive, is dishonest, knowingly untrue or otherwise intentionally misleading.

**Confidential Information:** Any non-public information pertaining to the University’s business.

**Good Faith Report:** A report made with a sincere belief that the issue is occurring, has occurred or there is a likelihood that it could occur. There is no malice or desire to defraud others.

**Personnel:** For the purpose of this Code, University Personnel refers to faculty, staff, volunteers, student employees, and individuals hired or contracted to perform a function that is generally associated with an employment relationship. Examples include temporary employees, graduate students receiving stipends, and contractors or other third parties serving in an employee capacity.

**Retaliation:** Taking action to harm someone in response to a report.

**Retribution:** The act of taking revenge.

**Student Employees:** This includes undergraduate and graduate students that are paid by the University for performing a function generally associated with an employee function. Student employees include, but not limited to, Graduate Teaching Assistants, Graduate Research Assistants, Graduate Assistants, Undergraduate Student Employees, and Post-Doc Associates. Pre-Doc and Post-Doc Fellows are not considered student employees.

**Whistleblower:** Someone who informs on a person or organization that they have reason to believe is engaged in an unethical, non-compliant, illicit or illegal activity.

**Procedures**

See Principles and Standards.
**Principles and Standards**

The intent of this code is to communicate the principles and standards that have been identified as most relevant to the University’s stated values and your compliance program recognizing that UVM’s policies and procedures extend beyond those identified in this code.

**Creating a Respectful Campus Environment:** Under state and federal statutes, it is illegal to discriminate based on race, color, national origin, religion, sex, disability, certain Veterans, age, citizenship status and genetic information. The State of Vermont also prohibits discrimination based on sexual orientation, gender identity and related characteristics, place of birth, ancestry, veteran status, HIV status, and discrimination on the basis of age as to persons 18 and older.

University policies, procedures and other guidance that contain language related to this section of the code include:

- A morous Relationships – Department of Athletics: [https://www.uvm.edu/policies/general_html/amorous.pdf](https://www.uvm.edu/policies/general_html/amorous.pdf)
- A morous Relationships with Students: [https://www.uvm.edu/policies/general_html/student_relation.pdf](https://www.uvm.edu/policies/general_html/student_relation.pdf)
- Disability Accommodations for Employees and Applicants for Employment: [https://www.uvm.edu/policies/hr/disabilityemployee.pdf](https://www.uvm.edu/policies/hr/disabilityemployee.pdf)
- Diversity Statement: [http://www.uvm.edu/president/?Page=whydiversity_statement.html](http://www.uvm.edu/president/?Page=whydiversity_statement.html)
- Equal Opportunity in Educational Programs and Activities and Non-Harassment: [https://www.uvm.edu/policies/student/equaledu.pdf](https://www.uvm.edu/policies/student/equaledu.pdf)

**Privacy and Security of Confidential Information:** At UVM, we recognize the importance of protecting the privacy and security of confidential information. Some of this information is legally protected. Some of it is sensitive and, for a variety of reasons, needs to be kept confidential. Whether it is legally required or just the right thing to do, the University takes this responsibility very seriously and demonstrates its commitment through its Information Security and Privacy Programs. All persons covered by this Code have a responsibility to maintain the privacy and security of confidential or sensitive information. Protection of this information can greatly reduce the risk of the misuse of information or a breach.
University policies, procedures and other guidance that contain language related to this section of the code include:

- Privacy: http://www.uvm.edu/policies/general_html/privacy.pdf

Conflicts of Interest and Conflicts of Commitment: If you, or a member of your immediate family, has (or could have) a personal or financial interest that affects independent judgment as it relates to University duties OR it could result in personal gain or advancement at the expense of the University, you may have a conflict of interest. If you engage in external activities that significantly interfere with your ability to perform your UVM duties or are reasonably expected to interfere with your ability to perform your UVM duties, you may have a conflict of commitment. In both cases, the agreement, arrangement or activity could be prohibited.

University policies, procedures and other statements that contain language related to this section of the code include:

- Conflict of Interest and Commitment: http://www.uvm.edu/policies/general_html/conflictinterest.pdf

Protecting University Assets and Appropriate Use of University Resources: We all have a responsibility to make sure that University resources are not wasted or used inappropriately. Stealing, committing fraud, bribing, and providing kickbacks are all examples of inappropriate use of University resources and are all violations of the law, University policy and this Code. We must all do our part to protect University resources.

University policies, procedures and other statements that contain language related to this section of the code include:

• Facilities and Grounds Use:  
http://www.uvm.edu/policies/facil/facsched.pdf

• Procurement or Lease of Goods and Services and Contract Approval and Signatory Authority for Procurement or Lease of Goods and Services:  
http://www.uvm.edu/policies/procure/procurement.pdf

• Travel:  

**Accuracy in Recordkeeping:** The University has an obligation to ensure the trust of the public and other stakeholders through its financial and regulatory reporting. This includes ensuring the accuracy and timeliness of our records and reports. Submitting false information on a timesheet or expense report is stealing. Knowingly including false financial information in a report to the government is fraud. It is imperative for all of us to be honest and truthful in all records we maintain as part of our work duties.

University policies, procedures and other statements that contain language related to this section of the code include:

• Business Meal, Hospitality and Amenity:  
http://www.uvm.edu/policies/procure/businessmeals.pdf

• Effort Management and Reporting on Sponsored Agreements:  
https://www.uvm.edu/policies/grants/effortreporting.pdf

• Export Controls:  
https://www.uvm.edu/policies/grants/export.pdf

• I-9:  
https://www.uvm.edu/policies/hr/I9.pdf

• Movable Equipment:  
https://www.uvm.edu/policies/grants/moveable_equipment.pdf

• Records Retention:  
http://www.uvm.edu/policies/general_html/recordretention.pdf

• Travel:  

**Relationships with University Vendors and Other Third Parties in Business Transactions**

Personnel are expected to deal fairly with vendors and other third parties UVM conducts business with. 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. Additionally, all procurement policies and guidance must be followed to provide for a fair, impartial and inclusive selection process.

• Affiliated Organizations:  
http://www.uvm.edu/policies/general_html/affiliated_organizations.pdf

• Procurement or Lease of Goods and Services and Contract Approval and Signatory Authority for Procurement or Lease of Goods and Services:  
http://www.uvm.edu/policies/procure/procurement.pdf
Research: At the University, the scope of research is broad and diverse. While research activities are an integral part of the University, it is also an area that is heavily regulated and, as such, poses significant compliance risks. Ethics are fundamental to all academic research. Without ethics and trust, a complex, modern research institution cannot function. Researchers must be aware of the ethical standards governing their discipline and to avoid even the appearance of impropriety.

University policies, procedures and other statements that contain language related to this section of the code include:

- Copyright: https://www.uvm.edu/policies/general_html/copyright.pdf
- Effort Management and Reporting on Sponsored Agreements: https://www.uvm.edu/policies/grants/effortreporting.pdf
- Export Controls: https://www.uvm.edu/policies/grants/export.pdf
- Issuing and Monitoring Subawards on Sponsored Agreements: https://www.uvm.edu/policies/grants/MonitorSubaward.pdf
- Misconduct in Research and Other Scholarly Activities: http://www.uvm.edu/policies/grants/researchmisconduct.pdf
- Moveable Equipment: https://www.uvm.edu/policies/grants/moveable_equipment.pdf
- Residual Balances on Sponsored Agreements: https://www.uvm.edu/policies/grants/BalancesSponsoredAgreements.pdf
- Sponsored Project Administration (SPA) Website: http://www.uvm.edu/spa/
- Use of University Research Facilities and Equipment by External Users: https://www.uvm.edu/policies/grants/researchfacil.pdf

Freedom of Expression: While our mission is dedicated to free expression and facilitation of the exchange of ideas, we need to balance that with our need to ensure that University endorsement is not improperly attributed and that University resources and facilities are used in a manner consistent with policy and campus safety.
University policies, procedures and other statements that contain language related to this section of the code include:

- Campus Speakers:  
- Copyright:  
  [https://www.uvm.edu/policies/general_html/copyright.pdf](https://www.uvm.edu/policies/general_html/copyright.pdf)
- Political Activities:  Tax Exempt Organization Restrictions:  
  [http://www.uvm.edu/policies/general_html/political_activity.pdf](http://www.uvm.edu/policies/general_html/political_activity.pdf)
- Solicitation:  
- Trademarks:  
  [https://www.uvm.edu/policies/general_html/trademark.pdf](https://www.uvm.edu/policies/general_html/trademark.pdf)
- University Name, Symbols, Letterhead and Other Proprietary Indicia of Affiliation:  
- University Sponsored Social Media:  
  [http://www.uvm.edu/policies/cit/socialmedia.pdf](http://www.uvm.edu/policies/cit/socialmedia.pdf)

**Creating a Safe and Healthy Campus:** A safe and healthy campus refers to both environmental safety (i.e., buildings, grounds) and personal safety. When it comes to a safe and healthy campus, we are all equally responsible for how we behave as well as how we treat others. If you ever feel unsafe or if you see or hear about unsafe conditions on campus or in your workplace, let someone know. Contact anyone listed under the resources section of this Code. If you ever feel that you are in immediate danger, call 911.

University policies, procedures and other statements that contain language related to this section of the code include:

**Personal Safety:**

- Alcohol Policy – Faculty and Staff:  
- Campus Safety and Security:  Clery Act:  
  [http://www.uvm.edu/policies/riskmgm/clery.pdf](http://www.uvm.edu/policies/riskmgm/clery.pdf)
- Campus Security Authorities (CSA) – Designation of and Reporting By:  
  [http://www.uvm.edu/policies/riskmgm/campussecruity.pdf](http://www.uvm.edu/policies/riskmgm/campussecruity.pdf)
- Drug Free Workplace:  
  [https://www.uvm.edu/policies/general_html/drugfreeworkplace.pdf](https://www.uvm.edu/policies/general_html/drugfreeworkplace.pdf)
- Minors in the Lab:  
  [https://www.uvm.edu/policies/riskmgm/minorslab.pdf](https://www.uvm.edu/policies/riskmgm/minorslab.pdf)
- Minors; Protection on Campus:  
- Minors; Reporting of Abuse or Neglect of and Crimes:  
  [https://www.uvm.edu/policies/general_html/abuse_minors.pdf](https://www.uvm.edu/policies/general_html/abuse_minors.pdf)
- Personal Safety and Security:  
Sexual Harassment and Misconduct:
http://www.uvm.edu/policies/general_html/sexharass.pdf

Weapons and Explosives:
https://www.uvm.edu/policies/general_html/firearms.pdf

Environmental Safety:
- Emergency Management:
  https://www.uvm.edu/policies/riskmgm/emergency.pdf
- Fire Safety:
  https://www.uvm.edu/policies/riskmgm/firesafety.pdf
- Laboratory Health and Safety:
  http://www.uvm.edu/policies/riskmgm/labsafety.pdf

Resources

While the Office of Compliance Services oversees the University’s compliance program, there are other offices and individuals that can provide guidance when faced with a difficult decision or situation.

- Faculty Senate:
  http://www.uvm.edu/faculty_senate
- Human Resources Services:
  http://www.uvm.edu/hrs/
- Office of Audit Services:
  http://www.uvm.edu/~auditwww/
- Office of General Counsel:
  http://www.uvm.edu/~gencnsel/
- Office of the Vice President of Executive Operations:
  http://www.uvm.edu/president/?Page=exec_operations.html

In addition to the above listed resources, the University also offers these resources depending on the issue or your needs:

- Affirmative Action & Equal Opportunity (AA EO):
  http://www.uvm.edu/~aaeo/
- Disability Certification and Support:
  http://www.uvm.edu/hrs/?Page=info/general/disabilitycertification.html&SM=info/infomenu.html
- Diversity and Equity Unit:
  https://www.uvm.edu/~diversit/?Page=diveq.html&SM=servicesmenu.html
- Office of International Education:
  http://www.uvm.edu/oie/
- Office of the Vice President for Human Resources, Diversity and Multicultural Affairs:
  http://www.uvm.edu/~hrdma/?Page=contact.html
- Risk Management & Safety:
  http://www.uvm.edu/~riskmgmt/
• Sponsored Project Administration (SPA):
  http://www.uvm.edu/spa/
• Student Financial Services:
  http://www.uvm.edu/~stdfinsv/
• University Financial Services:
  http://www.uvm.edu/~cntrlrs/

Forms
None

Contacts
Questions related to the daily operational interpretation of this policy should be directed to:

Director of Compliance Services, Office of Audit and Compliance Services
(802) 656-0847
Tessa.Lucey@uvm.edu

The President is the official responsible for the interpretation and administration of this policy.

Related Documents/Policies

Employee Handbooks and Collective Bargaining Agreements:
http://www.uvm.edu/hr/s/?Page=info/general/handbooksandpolicies.html&SM=info/infomenu.html
UVM Institutional Policy Website
http://www.uvm.edu/policies/

Effective Date
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.

Applicability of the Code

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 (https://secure.ethicspoint.com/domain/media/en/gui/24544/index.html) to report perceived violations of this Code.

**Code 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, 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 – So as to prohibit and deter conflicts of interest or the appearance of a conflict of interest, University officials who have executive or management responsibility for a business or equivalent relationship with a services or products vendor shall 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, nor shall they directly or indirectly give, offer, ask for, or accept for personal use, any gift or gratuity, in cash or in kind, from any potential vendor. See below “Clarification on Gifts and Gratuities and Conflicts of Interest Guidance.”

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 properly 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.

**Clarification on Gifts and Gratuities Provision and Conflicts of Interest Guidance**

Although all University employees are subject to conflicts of interest policies, the Gifts and Gratuities provision is intended to apply solely to University officials who have executive (e.g., Vice President or senior) or management authority and responsibility with respect to specific commercial contracts, such as those with services or products vendors. Its purpose is to eliminate or avoid situations in which it appears that a University official is being, or could be, improperly influenced by the receipt, or prospect of, gifts or other gratuities in selecting a vendor. All purchasing decisions by UVM officials should be made on the basis of the vendor best suited to meet UVM’s needs and not based on personal or financial relationships.
The rule prohibiting gifts and gratuities does not apply to the following examples of situations:

- Mementos or other gifts of nominal value associated with volunteer services offered by a UVM employee to UVM or a charitable nonprofit (e.g., T-shirt for assisting with Move-In Day; “free” movie tickets from Red Cross for donating blood)

- Tokens of nominal value offered at fairs or information sessions available generally to UVM employees (e.g., pens, Post-Its, etc. displayed at a UVM Benefits fair or event)

- Items made generally available by a sponsor or a vendor at a professional conference (e.g., tote bag; mug)

- Hospitality made generally available to attendees at a professional conference or event by a sponsor or a vendor (e.g., refreshments; evening reception; meal made available to attendees or a discrete subset of them, such as New England higher education admissions counselors)

- Courtesy gifts of nominal value (such value not to exceed $50 annually from one source) as dictated by the cultural customs of foreign hosts or visitors. 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 Executive Operations. University personnel are responsible for determining the customs rules applicable to such gifts when traveling out of the U.S.

- Business meals and similar amenities with a significant business purpose, such as would be eligible for expense reimbursement under the applicable UVM Policy: http://www.uvm.edu/~uvmppg/ppg/procure/businessmeals.pdf. If the amenities are being extended to a University official, their receipt must be associated with a business purpose, appropriate as to time and place, and must not influence or give the appearance of influencing the recipient. Thus, in the latter case, a UVM official having executive or management authority for a contract or business relationship with the person(s) hosting the meal or similar amenity may accept the offer only (1) if it would otherwise be reimbursable under the UVM Business Meal and Amenity policy were the hospitality being offered by the UVM official; and (2) the UVM official declares the business meal or similar amenity on the disclosure form appended to this Code.

- Subsidization or reimbursement of business travel by a professional association or other nonprofit organization that is not a services or products provider to UVM through business arrangements over which the UVM official has executive or management authority and responsibility. In the event that the subsidy or reimbursement is being offered by a services or products provider to UVM through business arrangements for which the UVM official has executive or management authority and responsibility, the official may seek advance approval from his or her supervisor for UVM coverage of such travel expenses if the supervisor concludes that the University’s interests would be best served by the official participation in the event.
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.

“Contracting authority” is the University official who, under Procurement protocols or the Contract Approval and Signatory Authority, is authorized and required to approve and execute a contract. Contract authority for specified and limited purposes may be delegated under the procedures outlined in Procurement protocols or the Contract Approval and Signatory Authority.

“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 a term used for 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, the Office of Audit Services, or the Office of Compliance Services. Non-administrator personnel are strongly encouraged to report perceived or demonstrated violations to an appropriate official, the Office of Audit Services or the Office of Compliance Services. Reports may also be made using the Ethics and Compliance Reporting and Help Line (https://secure.ethicspoint.com/domain/media/en/gui/24544/index.html). Customary channels will be used in the investigation of alleged violations of this Code and any imposition of related disciplinary or administrative action.

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 legal or policy right.

Whistleblowers who believe they have been retaliated against may file a written complaint with the Audit Services Office or the Office of Compliance Services, which shall refer the report promptly to the immediate supervisor(s) of any person(s) accused of retaliation. If the whistleblower alleges that an immediate supervisor engaged in the retaliation, Audit Services or the Office of Compliance Services shall refer the retaliation report to that supervisor’s immediate supervisor for investigation.

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.

The Ethics and Compliance Reporting and Help Line


Forms

Business Hospitality Annual Disclosure Form
http://www.uvm.edu/policies/general_html/related_docs/business_hospitality_disclosure_form.pdf

Contacts and Responsible Official

The Vice President for Executive Operations (VPFA) is the University official responsible for the interpretation and administration of this Code. The VPFA may be contacted as follows:
Suspected violations of this Code may be reported to the appropriate responsible official or to the following officials:

Chief Internal Auditor
Audit Services
Billings B158, 48 University Place
802-656-0568
William.Harrison@uvm.edu

Chief Compliance Officer
Office of Compliance Services
Billings B159, 48 University Place
802 656-0847
Anna.Drummond@uvm.edu

Related Documents/Policies

Audit Services Investigative Protocol
http://www.uvm.edu/~uvmppg/ppg/general_html/related_docs/invprotocol.pdf

Code of Business Conduct FAQ
http://www.uvm.edu/~uvmppg/ppg/general_html/related_docs/businesscodefaq.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

Contract Approval and Signatory Authority

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 (HIPAA)
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

Effective Date

Version 4.0.2.4 approved by the President on October 30, 2010

Version 4.0.2.4 Revised by the Audit Committee on October 11, 2010 and approved by the Board of Trustees on October 30, 2010.

Version 4.0.2.3 approved by the President on July 20, 2009

Version 4.0.2.3 Revised by the Audit Committee on July 13, 2009 and approved by the Board of Trustees Executive Committee on July 17, 2009.
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

PRESIDENTIAL PERFORMANCE REVIEW POLICY

Policy

It shall be the policy of the Board of Trustees to review the performance of the President annually. In addition, the Board shall customarily conduct a comprehensive presidential performance review within a minimum of a covering a period of a minimum of three-years and maximum of a five-years time period.

The purpose of the annual review is to enable the President to strengthen his or her own performance, to allow the President and the Board to reset mutually agreeable goals, and to inform annual decisions on compensation adjustments and other terms of presidential employment.

The purpose of the comprehensive review is to examine the effectiveness of the relationship between the President and the Board in the discharge of their respective and collective governance responsibilities; to obtain feedback from key constituents on the progress of the President and the Board in achieving institutional priorities; to reaffirm the partnership between the President and the Board; and, as requested by the Board and the President, to consider consultant recommendations for improving both presidential and Board performance.

The review processes are not intended as a substitute for regular, ongoing communication about progress toward goals between the President and the Board.

The Board shall periodically review and, as necessary or desirable, revise this policy and its associated procedures in light of experience gained, best practices, and legal developments as applicable.

Procedures

Annual review
Criteria and Scope

The annual review will cover the preceding year. The criteria for evaluation and information responsive to those criteria will be based principally on the President’s self-assessment with respect to goals mutually set by the Board Chair and the President, in consultation with the Board, for the year in review. The review will encompass input from Trustees, solicited in the manner described below, and such additional information as the Board Annual Review Subcommittee may request of the President to assist in its assessment of progress toward the mutually established goals.

President’s Self-Assessment

The retrospective elements of the President’s self-assessment will customarily include:

- A copy of the mutually-agreed upon goals, with a description of efforts to meet them and the President’s progress assessment.

- A description of other personal or institutional achievements of which the Annual Review Subcommittee should, or might, be informed by the President as aspects of performance or accomplishment.

- Identification of significant institutional or personal challenges the President faced over the course of the review year that affected progress toward goals, with particular focus on those that are likely to persist into the upcoming year or beyond.

- Presidential self-assessment of relationships with the Board, key governance and constituency group leaders, or other significant stakeholders.

- Key areas in which the Board has been especially supportive.

The prospective elements of the President’s self-assessment will customarily include:

- Goals the President proposes for him/herself and the institution over the course of the (1) upcoming year, and (2) next five years.

- The President’s professional development plans and any associated requests of the Board.

- The President’s assessment of the University’s principal current opportunities and challenges.

- Key areas in which the President would especially benefit from Board support.
The Annual Review Subcommittee

The Board Chair will appoint an ad hoc Annual Review Subcommittee from the membership of the Executive Committee ordinarily to be comprised of no fewer than five members. The Chair may, in his/her discretion, serve as a member of the Subcommittee. If the Chair serves on the Subcommittee, s/he will serve ex officio as chair of the Subcommittee; if the Chair declines to serve on the Subcommittee, s/he will appoint a chair.

The review process, including consultation undertaken by the Annual Review Subcommittee or its members with the President and Trustees, and Subcommittee deliberations, shall be confidential. Following consideration by the Subcommittee of the President’s self-assessment and input solicited from other Trustees (including the Board Chair if s/he is not a member of the Subcommittee), the Subcommittee will first advise the Executive Committee (in an Executive Session from which the President will be excused) of the status of its review. Subsequent to the Executive Committee meeting, the Chair will, in an Executive Session from which the President will be excused, convey to the full Board the results of the review and provide adequate opportunity for Board discussion and deliberations regarding the findings. Promptly thereafter, the Board Chair will meet with the President to discuss the results of the review. A significant portion of the latter meeting shall include articulation of performance goals for the upcoming year.

The annual review process will generally be initiated in the spring and completed by the September Executive Committee meeting.

Setting of goals

Subsequent to the completion of the annual review process described above, the Board Chair will, in consultation with the President, establish and memorialize in writing performance goals for the upcoming year. In addition, the Chair will convey to the President any recommendations, concerns, or priorities arising out of the review process and the Board’s discussion of review outcomes. The Board shall promptly approve or ratify the goals established by the Chair and President for the upcoming year.

Setting of Compensation and other Terms of Employment

In conjunction with its review process, the Subcommittee will make a recommendation to the Board Chair regarding any component of an annual salary adjustment based on merit. Compensation and other terms of employment will otherwise be set pursuant to guidelines adopted by the Board, provided that the annual compensation review process shall occur subsequent to completion of the annual performance review.
Comprehensive Review

At approximately five-year intervals, the Board Chair will, on behalf of the Board, initiate a comprehensive review process.

Criteria and Scope

The comprehensive review, which ordinarily will be initiated in September, initiated at the direction of the Board Chair, will cover the first five-year period of a presidency or the interval since the last comprehensive review. The criteria for evaluation and information responsive to those criteria will be based on the President’s self-assessment of progress toward goals mutually set by the Board and the President, including those articulated in the institutional strategic plan; all previous reviews, including annual reviews; and qualitative interview data elicited from Trustees, leaders of governance groups, senior administrators, and significant constituencies and stakeholders with direct and substantial knowledge and experience with the President and the University, regarding progress toward established institutional goals and the effectiveness of relationships necessary to sound institutional governance and interactions with external stakeholders and partners.

The Review Committee

The Board Chair will appoint an ad hoc Comprehensive Review Committee from the membership of the Board to be comprised of no fewer than five members. The Chair will serve as a member and chair of the Review Committee. In addition, the Chair may, following consultation with the Board, retain a qualified consultant to assist the Board in the review process, including creation of interview questions, conduct of interviews, and development of recommendations for enhancement of the performance effectiveness of the President and the President-Board relationship.

The Review Process

In addition to the procedures outlined above for the comprehensive review, the following procedures will apply:

• Prior to commencement of the comprehensive review process, the Chair will summarize for all Trustees in writing the steps associated with the process.

• The University community will next be informed of commencement of the review through a communication from the Board Chair and President. The purpose, scope, and procedures associated with the review will be described in the communication.
• The substance of the review process, including deliberations, shall be confidential.

• The review process will customarily be completed within 2-4 approximately 6 months of its initiation.

• The results of the review, including recommendations, will be discussed and synthesized by the Review Committee, with the assistance of any consultant retained. The Chair will next review the results with the full Board in Executive Session, from which Session the President will be excused. Following provision of an adequate opportunity to deliberate regarding the review results, the process will advance to its next step. The Chair, accompanied or not in his/her discretion by the Review Committee, will promptly meet with the President to share the result of the review. The Chair will also at that time convey to the President any recommendations or specific requests and expectations associated with the review, which will be memorialized as an amendment to the President’s annual performance goals.

• At the conclusion of the foregoing steps, the Board Chair will issue a final communication to the University community announcing completion of the review process.

Adapted from: AGB Board Basics Annual Presidential Performance Reviews (2001)
Approved by the Board of Trustees: May 18, 2007
Amended by the Board of Trustees: May 17, 2008
Ratified by the Executive Committee: June 4, 2008
Amended by the Board of Trustees: February 4, 2017
204.5 Academic Centers and Institutes

Centers and institutes facilitate the performance of interdisciplinary or focused research or other scholarly or creative activities not otherwise conducted within the structure of Programs, Departments, Schools, or Colleges. Centers and institutes that involve any or all of the following are considered academic centers and institutes: curriculum or instruction, research, scholarship or creative arts. Proposals to establish, substantially change or eliminate academic centers and institutes must be approved by the Board of Trustees, upon recommendation of the President and Provost following application of appropriate governance protocols, the latter to include Faculty Senate review and recommendation approval. A academic centers and institutes are subject to regular review by the Faculty Senate.

The scope of academic centers and institutes can vary from a sharply defined focus within a school or college to an interdisciplinary subject or specialized field of study spanning two or more academic units. The terms can be used interchangeably according to preference. Other synonymous terms may be used in the working title in order to best reflect current practice in a field.

A academic centers and institutes do not grant degrees or appoint faculty, nor do they offer credit-bearing courses except in cooperation with the academic unit(s) that constitute their participants.

In general, a University-wide or cross-college center or institute will be hosted in one of the participating colleges or schools. Its Director will be appointed by and report to the Provost or the Vice President for Research. A academic centers or institutes that are housed within a single college or school will typically have a Director who is appointed by and reports to the Dean or other designated college administrator.
Equal Opportunity in Educational Programs and Activities and Non-Harassment

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal educational opportunity. The University therefore prohibits discrimination on the basis of unlawful criteria such as race, color, religion, national or ethnic origin, age, sex, sexual orientation, marital status, disability, or gender identity or expression, as those terms are defined under applicable law, in admitting students to its programs and facilities and in administering its admissions policies, educational policies, scholarship and loan programs, athletic programs, and other institutionally administered programs or activities made available to students at the University. The University also prohibits harassment, as defined in the Vermont Statutes at Title 16, section 11(a)(26). Unlawful harassment is a form of discrimination and is therefore prohibited. Sources: Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Vermont Public Accommodations Act; and such other federal, state, and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University’s intent and commitment to comply with the requirements of federal, state, and local non-discrimination laws. It shall be applied co-extensively with those non-discrimination laws and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under those laws.
Contacts

Questions regarding this policy statement or compliance with its provisions may be directed to:

Dean of Students
University of Vermont
41-43 South Prospect Street
Burlington, VT 05405
(802) 656-3380

or to:

Director, Office of Affirmative Action and Equal Opportunity
University of Vermont
428 Waterman Building
Burlington, VT 05405
(802) 656-3368

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of those agencies may be obtained from the Office of Affirmative Action and Equal Opportunity.

The Vice President for Human Resources, Diversity and Multicultural Affairs is the University official responsible for the interpretation and administration of this policy.

Title IX Coordinator

Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence, may be directed to the University’s Title IX Coordinator:

Director, Office of Affirmative Action and Equal Opportunity 656-3368

Section 504 Coordinator

Questions about disability related issues may be directed to the University’s Section 504 Coordinator:

Director, Office of Affirmative Action and Equal Opportunity 656-3368
Related Documents/Policies

Equal Employment Opportunity/Affirmative Action Policy Statement
http://www.uvm.edu/~uvmppg/ppg/general_html/affirm.pdf

Harassment – Students
http://www.uvm.edu/~uvmppg/ppg/student/studentharas.pdf

Procedures for Investigating and Resolving Discrimination Complaints

Sexual Harassment Policy – Students
http://www.uvm.edu/~uvmppg/ppg/student/sexharasstudent.pdf

Effective Date

Approved by the President: February 4, 2017
Approved by the Chair of the Board of Trustees: February 4, 2017
Policy V. 7.3.9

Responsible Official: Vice President for Human Resources, Diversity and Multicultural Affairs

Effective Date: February 4, 2017

Equal Employment Opportunity/Affirmative Action Policy Statement

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal employment opportunity and to a program of affirmative action in order to fulfill that policy. The President of the University fully supports the University’s equal employment opportunity policy and the University’s affirmative action program.

The University will accordingly recruit, hire, train, and promote persons in all positions and ensure that all other personnel actions are administered without regard to unlawful criteria including race, color, religion, ancestry, national origin, place of birth, sex, sexual orientation, disability, age, positive HIV-related blood test results, genetic information, gender identity or expression, or status as a disabled veteran, recently separated veteran, active duty wartime or campaign badge veteran, or Armed Forces service medal veteran (collectively “protected veterans”), as these terms are defined under applicable law, or any other factor or characteristic protected by law, and ensure that all employment decisions are based only on valid job requirements.

In addition, the University of Vermont recognizes that discriminatory harassment and sexual harassment are forms of unlawful discrimination, and it is, therefore, the policy of the University that discriminatory harassment and sexual harassment will not be tolerated. The University also prohibits unlawful harassment on the basis of other characteristics protected by law.

Further, employees and applicants will not be subjected to harassment, intimidation, threats, coercion, or retaliation because they have engaged in or may engage in the following: filing a
complaint or assisting or participating in an investigation regarding alleged discrimination or harassment as prohibited in the policy statement above; filing a complaint or assisting or participating in an investigation, compliance evaluation, hearing, or any other activity related to the administration of the Vietnam Era Veterans’ Readjustment Assistance Act of 1974 ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973 ("Rehabilitation Act"), or the Affirmative Action provisions of any other federal, state or local law; opposing any act or practice made unlawful by VEVRAA or any other federal, state, or local law requiring equal employment opportunities for individuals with disabilities or protected veterans; or exercising any other rights protected by VEVRAA or the Rehabilitation Act. Additionally, the University will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant.

The University of Vermont maintains an audit and reporting system that: measures the effectiveness of the University’s affirmative action program; indicates any need for remedial action; determines the degree to which the University’s objectives have been attained; measures the University’s compliance with its affirmative action obligations; and determines whether individuals with disabilities and veterans have had the opportunity to participate in all University sponsored educational, training, recreational and social activities.

Sources: Titles VI and VII of the Civil Rights Act of 1964; the Immigration Reform and Control Act of 1986; Title IX of the Education Amendments of 1972; the Equal Pay Act of 1963; the Age Discrimination in Employment Act of 1967; the Age Discrimination Act of 1975; Sections 503 and 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; Section 402 of the Vietnam-Era Veterans Readjustment Assistance Act of 1974; Executive Order 11246; the Genetic Information Nondiscrimination Act of 2008; and the Vermont Fair Employment Practices Act, all as amended; and such other federal, state and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior policy statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University’s intent and commitment to comply with the requirements of federal, state, and local non-discrimination laws. It shall be applied co-extensively with those non-discrimination laws and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under those laws.

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University of Vermont
428 Waterman Building
Burlington, VT 05405
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Questions about disability related issues may be directed to the University’s Section 504 Coordinator:

Director, Office of Affirmative Action and Equal Opportunity 656-3368

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of such agencies may be obtained from the Office of Affirmative Action and Equal Employment Opportunity.

The Vice President for Human Resources, Diversity and Multicultural Affairs is the University official responsible for the interpretation and administration of this policy.

The University has developed an Affirmative Action Plan. The portions of the plan required for disclosure are available for inspection during normal business hours; contact the University’s Public Records Officer at (802) 656-8937.

Related Documents/Policies

Equal Opportunity in Educational Programs and Activities and Non-Harassment http://www.uvm.edu/~uvmppg/ppg/student/equaledu.pdf


Sexual Harassment Policy – Employees http://www.uvm.edu/~uvmppg/ppg/hr/sexharasemp.pdf

Effective Date

Approved by the President: February 4, 2016
Approved by the Chair of the Board of Trustees: February 4, 2016
University of Vermont
Debt Policy
As Adopted by the Board of Trustees
September 2004, revised November 2005,
Revised, November 2006,
Revised, December 2007,
Reaffirmed, December 2008,
Revised, October 2009
Revised, October 2010
Reaffirmed, October 2011
Revised, May 2013
Revised, February 2014
Revised, February 2015
Reaffirmed, February 2016
Revised, February 2017

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The University of Vermont’s strategic planning is a long-term process that establishes University-wide priorities as well as University and divisional programmatic objectives. The University’s strategic plan identifies specific goals and initiatives, including capital plans that identify necessary and desired University facility investments. To fund its plan, the University will continue to utilize a mix of financing sources including State and Federal sources, philanthropy, internal reserves, and external University-supported debt.

This policy, in conjunction with the strategic and capital planning, will aid management in ensuring that an appropriate mix and types of funding sources are utilized and that the University’s debt capacity is allocated strategically. A UVM-specific debt policy is appropriate to ensure adequate financial strength to service existing and proposed debt, maintain leverage within an acceptable risk tolerance while investing in priority capital projects, maintain a strong financial profile to ensure a competitive position relative to its peers, and maintain the budgetary capacity to invest in other initiatives.

Management and the Board of Trustees, acting through the appropriate Board of Trustee committee, will assess this policy on an ongoing basis to ensure that it remains responsive to UVM’s evolving academic, research and strategic priorities and financial position.

The University believes that financial discipline is a critical component of long-term debt management and that the Board and management, operating through the appropriate Board of Trustee committee should establish a limited number of financial ratios and limits in order to manage debt within acceptable ranges consistent with UVM’s objectives. These measures will be monitored and reported on in light of UVM’s evolving strategic initiatives and capital needs.
Just as investments represent an integral component of assets, debt is viewed to be a long-term component of liabilities that therefore should be managed on a long-term portfolio-basis consistent with the institution’s policy objectives, with an overarching objective of managing the balance sheet. The objectives of the policy are to:

(i) Maintain the University’s access to capital. Management will utilize and issue debt in order to provide timely access to capital to fund project priorities that have been approved by the Board;

(ii) Manage the University’s credit to meet its long-term strategic objectives while maintaining creditworthiness consistent with the most favorable relative cost of capital and borrowing terms.

(iii) Limit risk of the University’s debt portfolio. Debt will be managed on a portfolio, rather than a transactional or project-specific, basis. Management’s continuing objective of incurring the lowest achievable long-term risk-adjusted cost of capital will be balanced with the goal of appropriately limiting exposure to market shifts within acceptable budgetary parameters. Various types of debt structures and financial instruments will be considered, monitored, and managed within the framework established in this policy and according to internal management procedures; and

(iv) Permit the optimization of the investment of the University’s working capital and cash balances. Management will explore various options and alternatives to internal cash holdings regarding the optimal funding mechanism for short-term equipment needs, bridge financing and cash requirements. Management recognizes that working capital requirements, debt management, and the investment of cash/net assets should be viewed comprehensively in order to optimize overall funding and investment return strategies.

In addition to establishing a framework relating to the administration of debt, the policy provides for periodic updates pertaining to UVM’s debt capacity and financial management to both internal and external parties.
OVERSIGHT

Purpose

1. Provide mechanism for oversight and review on periodic basis.
2. Provide management flexibility to make ongoing financing decisions within the framework of the policy.

By adopting this policy and regularly reviewing it with the appropriate Board of Trustee committee, management will follow and report on guidelines and requirements regarding debt utilization. With appropriate authorizations consistent with the policy, management will have flexibility to implement specific financial transactions and utilize approved financing vehicles in accordance with stated procedures.

The Office of the Vice President for Finance and University Treasurer will manage all funding sources, including debt, for capital projects authorized by the Board. The structure of any individual transaction (e.g., maturity, interest rate mode, use of derivative products, other financing structures) will be based upon overall University needs to ensure that (i) long-term costs to the University and its operating units are minimized consistent within the context of other strategic objectives and (ii) overall risk does not exceed acceptable levels as defined in this policy.

Because this debt policy is a living document, the appropriate Board of Trustee committee will review this policy on an annual basis and report any recommended changes or revisions to the Board of Trustees. This review process is necessary to ensure that the policy remains consistent with the University’s objectives and responsive to evolving practices, competitive pressures in the external environment, and financial indicators.

POLICY RATIOS

Purpose

1. Identify core ratios.
2. Clearly communicate with key parties such as rating agencies the University’s philosophy regarding debt and management’s ongoing assessment of debt capacity and affordability.

This policy establishes limits to measure the total amount of outstanding debt compared to University balance-sheet resources and the annual operating budget. These ratios can be derived from the financial statements and other information and are subject to review periodically.

The policy identifies ratios that (i) are based on current GAAP requirements and (ii) are consistent with ratios utilized in the higher education industry to permit benchmarking.

In addition to the two policy ratios below, the University may consider tracking other ratios in addition to the policy ratios. Listed below are the policy ratios and limits that will be followed.

Ratio 1 – Debt Burden Ratio

This ratio measures the University’s ability to repay debt service associated with all outstanding debt and the impact on the overall budget and includes all activities of the University. The defined limit for this ratio is intended to maintain the University’s long-term operating flexibility to fund existing requirements and new initiatives, although the University may target a desired ratio below this limit.

\[
\text{ANNUAL DEBT SERVICE} \quad \frac{<5.75\%}{\text{TOTAL EXPENSES}}
\]

The measure is based on aggregate operating expenses as opposed to operating revenues because expenses typically are more stable (e.g., no one-time operating gifts, investment return, variability of State funding) and better reflect the operating base of the University. Management recognizes that a growing expense base would make this ratio appear more attractive.
The limit for this ratio is not to be greater than 5.75% until June 30, 2023 and will revert to 5% thereafter. This ratio will be adjusted to include the impact of non-amortizing or non-traditional debt structures that could result in significant single year fluctuations, as well as an assumption of an appropriate variable rate.

**Ratio 2 - Viability Ratio (also called Expendable Financial Assets to Debt)**

This ratio indicates one of the most basic determinants of financial health by measuring the availability of liquid and expendable net assets compared to aggregate debt. The ratio measures the medium to long-term health of the University’s balance sheet and debt capacity and is a critical component of universities with the highest credit quality.

Many factors influence the viability ratio, affecting both the assets (e.g., investment performance, philanthropy) and liabilities (e.g., timing of bond issues), and therefore the ratio is best examined in the context of changing market conditions so that it accurately reflects relative financial strength. For example, a viability ratio that is acceptable and entirely appropriate in one market condition may be relatively stronger or weaker in other market environments.

This policy establishes a debt policy limit (floor) for this ratio of 0.8 to ensure that sufficient balance sheet strength is maintained at all times.

\[
\frac{\text{UNRESTRICTED NET ASSETS + TEMPORARILY RESTRICTED NET ASSETS - EQUITY IN PLANT}}{\text{AGGREGATE DEBT}} > 0.8x
\]

This ratio will include any financings that impact the University credit, including guarantees of third-party debt.

The 0.8x limit is recognized as a limit, and not a long-term objective. Over time, to remain competitive and retain the flexibility to invest in future strategic initiatives, UVM will want to target and maintain a ratio above 0.8x

Annually, based on the results of the audited financial statements, the Vice President for Finance will report to the appropriate Board of Trustee committee on the actual ratio results and any existing conditions that put the University out of compliance with this policy. The Vice President of Finance will also report the ratio results showing the effect with and without the Governmental Accounting Standards for Other Post Retirement Benefits. In the event that the University is out of compliance with the policy, the appropriate Board of Trustee committee will take up the matter for consideration and make recommendations it deems appropriate to the Board of Trustees.

**Ratios as a Credit Factor**

The University has established its ratios and associated ratio limits based on internally-established guidelines. The ratios and limits are not intended to provide a long-term target or track a specific rating, but rather will enable the maintenance of the University’s competitive financial profile and complement the capital planning process. The debt policy will be shared with external credit analysts and other third parties in order to provide them with the context regarding UVM’s
The University recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, risks, and costs. All potential funding sources will be reviewed by management within the context of the debt policy and the overall portfolio to ensure that any financial product or structure is consistent with UVM’s objectives. Regardless of what financing structure(s) is(are) utilized, a full understanding of the transaction, including (i) quantification of potential risks and benefits, and (ii) analysis of the impact on University creditworthiness and debt capacity, will be required. Any financial transaction which, in management’s opinion utilizes the University’s credit, will be subject to the limits set forth in this policy regardless of source.

**Tax-Exempt Debt**

The University recognizes that debt will remain a long-term component of the University’s capitalization over the foreseeable future due in part to its continued need for capital and the substantial economic benefits associated with tax-exempt debt. Therefore, financial transactions will be managed on a portfolio basis with a long-term perspective. (In all circumstances, however, individual projects must continue to be identified and tracked to ensure compliance with all tax and reimbursement requirements).

Debt will be structured to meet the University’s comprehensive long-term objectives, and each project being financed will be required to provide a sound business plan, including the source of repayment for the debt and appropriate and realistic repayment terms. Among other things, the repayment terms will require that the loan term is no greater than the expected componentized useful life of the asset financed. Additionally, the financed project will be required to budget and fund principal payments on a fully amortized basis.

**Taxable Debt**

While all of the University’s capital projects may not qualify for tax-exempt debt, taxable debt should only be used in appropriate cases as it generally represents a more expensive source of capital relative to tax-exempt issuance.

**Commercial Paper**

The CP program can provide substantial financial flexibility to the University including the ability to manage and optimize cash balances, and provide an alternative to lease transactions, and other purposes. CP can offer the University interim financing for capital projects in anticipation of the receipt of funding either in the form of future philanthropy or the issuance of long-term debt for permanent financing, as well as offer greater flexibility regarding the timing and structuring of individual bond transactions.

**Derivative Products**

Management recognizes that derivative products may enable more opportunistic and flexible management of the debt portfolio. Derivative products, including interest rate swaps, may be employed primarily to manage or hedge the University’s interest rate exposure for a specific period of time. The University will utilize a framework to evaluate potential self-determined debt capacity and affordability, which is subject to ongoing review.
derivative instruments through consideration of (i) its variable rate allocation, (ii) market and interest rate conditions, (iii) impact on future financing flexibility, and (iv) the compensation for assuming risks, or the costs for eliminating certain risks and exposure. In addition, the University will analyze and quantify the cost/benefit of any derivative instrument relative to achieving desirable long-term capital structure objectives. Under no circumstances will a derivative transaction be utilized that is not understood fully by management or that imposes inappropriate risk on the University. Risks include but are not limited to tax risk, interest rate risk, liquidity risk, counterparty credit risk, basis risk, and any other potential risks either imposed or removed through the execution of any transaction. In addition, management will consider and disclose the potential impact of any derivative product on the University’s financial statements and the appropriate treatment in calculating the debt policy ratios. The University will regularly report on the status and performance of its derivative products, if any, to the appropriate Board of Trustee committee. Given the risks and complexity associated with derivative products, they will be considered more seriously only when: (i) conventional financing sources are relatively more expensive (e.g. exceed the portfolio blended interest rate, and (ii) can achieve desired financial objectives more efficiently or at a significantly lower risk-adjusted cost than traditional structures. Management is required to present any recommended derivative product to the appropriate Board of Trustee committee and must receive Board approval prior to execution.

Other Financing Sources

The University recognizes that a variety of transactions, not limited to debt insured directly by UVM, may impact the University’s credit while the University’s limited debt capacity and substantial capital needs require the consideration of various financing alternatives, including possible opportunities for alternative and non-traditional transaction structures. The University recognizes these types of transactions may also impact the University’s credit and also often can be more expensive than traditional University debt structures.

Therefore all non-traditional financing structures including guarantees and third party debt can only be considered once the economic benefit and the likely impact on the University’s debt capacity and credit has been determined. Specifically, for any third-party or developer based financing, management will ensure the full credit impact of the structure is evaluated and quantified to the extent possible prior to execution and the analysis must be presented to the appropriate Board of Trustee committees and must receive Board approval prior to execution.
### PORTFOLIO MANAGEMENT OF DEBT

**Purpose**

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<table>
<thead>
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<tbody>
<tr>
<td>1.</td>
<td>Permit decisions regarding debt issuance and structure to be made on a portfolio basis, rather than on a per-project basis.</td>
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<tr>
<td>2.</td>
<td>Manage variable rate exposure of the debt portfolio.</td>
</tr>
<tr>
<td></td>
<td>a. Limit variable rate exposure.</td>
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<td></td>
<td>b. Manage the overall liquidity requirements associated with outstanding debt.</td>
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<td></td>
<td>c. Target overall variable rate debt exposure.</td>
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<tr>
<td>3.</td>
<td>Evaluate exposure to other financing vehicles and third parties on a portfolio-wide basis.</td>
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The University considers its debt portfolio holistically; that is, it optimizes the portfolio of debt for the entire University rather than on a project-by-project basis, and takes into account the University’s cash and investments.

### Variable Rate Debt

It is recognized that a degree of exposure to variable interest rates within the University’s debt portfolio may be desirable in order to:

(i) take advantage of repayment/restructuring flexibility;

(ii) benefit from historically lower average interest costs; and

(iii) diversify the debt portfolio; and,

(iv) provide a hedge to short-term working capital balances

Management will monitor overall interest rate exposure, analyze and quantify potential risks, and coordinate appropriate fixed/variable allocation strategies. The portfolio allocation to variable rate debt may be managed or adjusted through (i) the issuance of debt (potentially new issues and refunding), (ii) and the use of interest rate swaps and other derivative products. While the utilization of commercial paper impacts the University’s variable rate exposure, outstanding CP will not be included in the ratio, given the expected interim financing purpose.

Recognizing the desire to manage interest rate risk, the amount of variable rate debt outstanding shall not exceed 35% of the University’s outstanding debt. This limit is based on the University’s desire to:

(i) limit annual variances in its debt portfolio, (ii) provide sufficient structuring flexibility to management, (iii) keep the University’s variable rate allocation within acceptable external parameters, (iv) utilize variable rate debt (and/or swaps) to optimize debt portfolio allocation and minimize costs, and (v) take into account liquidity needs and exposures for the portfolio, including consideration of the commercial paper program.

### VARIABLE RATE AND LIQUIDITY EXPOSURE

| TOTAL LONG-TERM DEBT OUTSTANDING | <35% |

The University will exclude from this calculation project-related commercial paper used in advance of expected long-term financing since this commercial paper is used for interim purposes and should not be included in the University’s desired long-term variable rate allocation calculation. The numerator, Variable Rate and Liquidity Exposure, is defined as including all variable rate debt, not adjusted for any floating to fixed swaps, if any, and plus any fixed to floating swaps, if any. Thus, any variable rate debt that is affected by floating-to-fixed interest rate swaps will be considered variable rate debt for the purposes of this calculation since it impacts the University’s liquidity requirements and exposes the institution to counterparty credit exposure. Note that this ratio measures interest rate exposure and liquidity exposure/requirements directly.
**GLOSSARY**

**Annual Debt Service** - refers to the principal and interest due on long-term debt in a fiscal year.

**Bridge Financing** - refers to any type of financing used to “bridge” a period of time. For universities, it generally refers to financings that provide funding in advance of a long-term bond issue or the receipt of gift funding.

**Capital Project** - refers to physical facilities or equipment or software that may be capitalized.

**Commercial Paper** - an alternative to bank line for stronger rated borrowers, commercial paper is short-term promissory notes issued on the open market as an obligation of the borrower. The maturity of commercial paper is less than 270 days, and for most universities, the average maturity of all paper is between 30-50 days. Registration and disclosure for commercial paper is significantly less than traditional university bonds.

**Derivative Products** - generally referred to transactions which are an exchange of specified cash flows for a period of time. The most common types of derivatives are floating-rate-to-fixed-rate or fixed-rate-to-floating-rate swaps.

**GAAP** - refers to Generally Accepted Accounting Principles.

**Leverage** - long-term debt as a component of the total assets of the University. “High leverage” indicates an institution that has a considerable portion of its assets that are debt financed.
Introduction

This Cash Management and Liquidity Policy governs the investment of UVM pooled cash and sets the minimum liquidity target for the University. The pooled cash includes all funds of the University other than the funds that are held in the University endowment and certain plant, restricted and loan reserves, for which separate investment guidelines have been established. This statement will be subject to periodic review and possible modification by the Budget, Finance and Investment Committee as the Committee considers necessary to achieve cash management and investment and liquidity requirements.

I. Cash Management

Investment Objectives

University pooled cash for purposes of investment allocation shall be divided into three asset groups as follows:

Short-term pool: Cash that is expected to be needed for normal operating expenditures within a one-year period. The primary objective is preservation of principal and liquidity. Maximization of investment income without undue exposure to risk is a secondary objective.

Intermediate-term pool: Cash that is expected to be needed within a period of one year to six years. The primary objectives are preservation of principal and maximization of investment income without undue exposure to risk.

Long-term pool: Cash that is not expected to be needed for operational purposes for a period exceeding six years and/or that may be designated as a permanent core. The primary investment objective is to achieve consistent long-term growth of the pool with limited exposure to risk.

Allocation Maturity Guidelines

Short-term pool: The average weighted maturity for a short-term portfolio shall be between one day and one year.
Intermediate-term pool: The average weighted maturity for intermediate-term portfolio shall be between one year and six years.

Long-term pool: Permanent core cash may be invested in any investment that is allowable under the University’s Statement of Objectives and Policies for the Endowment Fund and that meets the overall objective of achieving consistent long-term growth of the pool with limited exposure to risk.

Performance Objectives

Short-term pool: The benchmark for the short-term portfolio shall be total return that meets or exceeds the yield of three-month U.S. Treasury securities.

Intermediate-term pool: The benchmark for intermediate-term portfolio shall be total return that meets or exceeds the Bloomberg Barclays Capital 3-5 Year U.S. Treasury Bond Index (3-5 Year).

Long-term pool: The benchmark for the investment of the long term pool shall correspond to the benchmarks for each asset class as specified in the University’s Statement of Objectives and Policies for the Long Term Investment Pool, including the Endowment Fund.

Allowable Investments for Asset Groups

For all of the asset groups described below, the Treasurer will develop in conjunction with the Board of Trustees Investment Subcommittee (ISC) a list of approved funds and fund managers from which the Treasurer may select managers as appropriate. This list will be reviewed and approved annually by the ISC.

Short-term pool and Intermediate-term Pool: Investments in the short-term and intermediate-term portfolio are restricted to U.S. Treasury and government agency securities, money markets, high quality corporate securities, and commercial and bank paper, where as the intermediate-term pool may have maturities up to six years. Investments shall be in marketable securities of the following types and with the noted credit ratings:

1. Debt securities rated Aaa, Aa, A or Baa by Moody’s Investor’s Service, Inc. or AAA, AA, A or BBB by Standard & Poor’s Corporation.

2. Obligations of, or guaranteed by, the United States of America, its agencies or instrumentalities.
3. Obligations of, or guaranteed by, national or state banks or bank holding companies rated B or better. No more than 20% of the funds held in the cash pool shall be invested in debt obligations of the institutions within any single holding company.

4. Commercial paper rated A-1 or higher by Standard and Poor’s or Prime-1 (P1) by Moody’s Investor’s Service, Inc.

5. Bankers’ acceptances or negotiable certificates of deposit issued by banks rated B or better. No more than 20% of the funds held in the cash pool shall be invested in certificates of deposit, bankers’ acceptances or floating rate notes of the institutions within any single holding company.

6. Repurchase agreements of banks having Fitch ratings no lower than B secured by the U.S. government and federal agency obligations with market values of at least 100% of the amount of the repurchase agreement.

7. Commingled funds may be used if they are in compliance with the above guidelines.

8. The Commonfund, a non-profit provider of investment products for colleges and universities.

Intermediate-term pool: Investments in the intermediate-term portfolio are shall be restricted to those allowable in the short-term portfolio, as well as securities rated Aaa, Aa, A or Baa by Moody’s Investor’s Service, Inc. or AAA, AA, A or BBB by Standard & Poor’s Corporation. All investments in the intermediate-term portfolio shall be restricted to those allowable in the short-term pool but may have maturities of up to six years.

Long-term pool: Investment of the long term pool shall be restricted to those that are allowable under the University’s Statement of Objectives and Policies for the Endowment Fund and that meet the overall objective of achieving consistent long-term growth of the pool with limited exposure to risk.

Moral, Ethical and Social Considerations

Cash balances will be invested consistently with the moral, social and ethical criteria adopted by the Board of Trustees on recommendation of its Budget, Finance and Investment Committee as related to the Long Term Investment Pool, including the Endowment Fund. Criteria for socially responsible investing shall include, where advisable and consistent with investment quality, return, and safety guidelines, the use of community and State institutions for investment purposes. Where
returns are reasonably equal (within 10 basis points), preferences will be given to Vermont-based financial institutions.

**Investment Management Responsibility and Structure**

Cash management and investment responsibility resides with the Vice President for Finance and Treasurer through the Controller.

1. Investments may be made internally using allowable instruments and institutions; OR,

2. Investment managers may be engaged to invest University assets consistent with this Policy. Subject to this Policy and a written agreement between the University and the investment manager, the investment manager will be given discretion to select individual securities and to make adjustments to the structure of the portfolio.

**I. Liquidity**

This Cash Management and Liquidity Policy establishes a Minimum Liquidity Target for the University of $30 million, subject to future modification by the Budget, Finance, and Investment Committee. Liquid funds that are unrestricted, unencumbered General Fund Net Assets (as such capitalized term is used in the audited financial statements of the University) shall be used to satisfy the Minimum Liquidity Target. For the purposes of this Policy, General Fund Net Assets that are restricted in their use, or otherwise encumbered by Board or administrative action, shall not be available to satisfy the Minimum Liquidity Target. The objective of this policy is to ensure that the University operates with an adequate level of institutional liquidity to minimize risk associated with temporary, unforeseen liquidity needs.

**II. Administration and Reporting**

A. The Treasurer will report to the Budget, Finance and Investment Committee annually, the following:

1. Cash balances in each asset group;

2. Investments in each asset group by manager and investment type or fund; and

3. Performance of each individual investment type within each asset group.

4. A schedule of unrestricted, unencumbered General Fund Net Assets compared to the Minimum Liquidity Target.

B. As delegated by the Board of Trustees through its resolutions, specified University officials, including the Treasurer, are authorized to open accounts with banks, investment firms, or commercial paper institutions, and/or to execute purchases and sales, in order to implement this Cash Management and Liquidity Policy.
C. This Cash Management and Liquidity Policy will be subject to annual review by the Investment Subcommittee and the elements of the policy related to liquidity will be subject to annual review by the Budget, Finance, and Investment Committee.
UNIVERSITY OF VERMONT
STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES

I. INTRODUCTION
This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS
The Board, the ISC, the Treasurer and investment staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or investment staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurred only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES OF INVESTMENT SUBCOMMITTEE
Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within appropriate risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;
- Selecting and maintaining qualified investment managers and consultants;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.
The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees’ Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

The University Statement of Investment Policies and Objectives requires the Board, the Investment Subcommittee (ISC) of the Board Budget, Finance and Investment Committee, the Treasurer, and third parties such as investment managers, to exercise their responsibilities with respect to the Long-Term Investment Pool, including Endowment Fund assets, in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”).

In accordance with UPMIFA, key facets of the Responsible Parties’ roles, as paraphrased below, include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets.

Achieving the Financial and Investment Objectives of the Fund is essential to provide resources to fulfill the institutional mission of the University. The core responsibility of the ISC is to achieve the Financial and Investment Objectives of the fund in a manner consistent with the requirements of UPMIFA and prudent fiduciary practices.

The primary objective of achieving the Financial and Investment Objectives of the Fund does not preclude consideration of moral, ethical and social criteria in selecting investments or participating in shareholder resolutions that address moral, ethical or social issues. However, the core responsibility of the Board is to steward University assets in a manner consistent with prudent fiduciary practices.
VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objective of the Fund is to provide a stable and consistent level of ongoing support for the University’s programs through a reasoned spending policy consistent with preserving and enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

The primary long-term investment objective of the Fund is to attain a real total return\(^1\) (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 4.75%. This will be measured over the long term, capturing a full market cycle, as it is unlikely that the Fund’s return will meet or exceed the spending rate in each individual year. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark (defined herein), measured over a full market cycle; and to outperform the median return of a pool of endowment funds with broadly similar investment objectives and policies.

VII. ASSET ALLOCATION

The policy portfolio for the Fund is a target or “normal” set of investments, based on long-term return, risk and correlation assumptions that balance the organization’s need for liquidity, preservation of purchasing power, and risk tolerance. Certain investments are made for capital appreciation and return enhancement: global equities, long/short hedge funds, venture capital and private equity; some are made to protect against unanticipated inflation: real estate, energy, timber, commodities, TIPS; and some are made to protect against deflationary periods and to reduce volatility: primarily, high quality intermediate bonds for the former and absolute return hedge funds for the latter. The ISC, with input and assistance from staff and external consultants, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate (for example, due to a material change in the capital market assumptions). Changes to the policy portfolio targets will be reviewed and approved by the ISC and presented to the Budget, Finance and Investment Committee and the Board, as necessary.

In addition to being diversified across asset classes, the Fund will be diversified within each asset class. This will provide reasonable assurance that the performance of any single security, issuer or class of securities, or active manager will not have a disproportionate impact on the total Fund performance.

The most current asset allocation / strategic policy portfolio for the Fund is attached as Appendix A.

VIII. REBALANCING

The Fund's actual asset allocation will be monitored monthly and reviewed by the ISC at its regular meetings relative to established policy portfolio targets and allowable ranges. Adjustments may be constrained by practical limits with respect to liquidity and transaction costs, but rebalancing efforts will be made as practicable. Cash flow in or out of the Fund may create an opportunity to shift the allocation closer toward policy targets. The ISC may at times authorize investments in new or developing asset classes that are not part of the strategic policy portfolio at the time of their adoption, with the intention of revising the policy portfolio shortly thereafter.

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1 Real total return is the sum of realized and unrealized capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Consumer Price Index.
IX. PERFORMANCE EVALUATION, BENCHMARKS, and ASSET CLASS CHARACTERISTICS

The performance objectives for the total Fund, each asset class and each manager are outlined below, with the purpose of establishing specific parameters for regular and ongoing review. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods as represented by a full market cycle.

**Overall Fund**

There are a number of different benchmarks for assessing performance at the overall Fund level:

- **Undiversified Benchmark** – this simple market benchmark helps the ISC evaluate the value added from a sophisticated investment program versus a portfolio that could be easily replicated through investment in U.S. index funds.

- **Target Benchmark** – this custom benchmark compares the total return of the Fund to a blended benchmark based on applying the target policy weights of each underlying asset class to the performance of the asset class benchmarks. The individual asset class benchmarks are discussed in the next section.

- **Current Allocation Benchmark** – this benchmark is composed of the current allocations for each of the underlying composite asset classes weighted against the corresponding returns of their respective benchmarks.

- **Cambridge Associates’ Universe of Endowment Pool Returns** – a universe of over 300 institutions, a broad peer universe against which the ISC compares the Fund’s return. In addition to this broad comparison, the ISC may also compare the Fund’s results to various subsets of this broad universe, which include institutions with similar characteristics.

**Asset Classes & Managers**

Each manager will be expected to outperform (net of fees) a benchmark that is appropriate based on the asset class and style of the manager, over a full market cycle. Performance results will be reviewed with the ISC at its regular meetings and in an interim period when there is a major event (personnel change, for example) at the firm. The manager will be evaluated on long-term performance so that shorter-term failure to meet the benchmark target returns is not an automatic basis for manager termination.

Due to the broad nature of the asset classes and the unique style of managers, it is important to note that the specific benchmark of the individual manager may not necessarily be the same as the benchmark for the particular asset class composite as defined below. For example, the Total U.S. Equity benchmark is the S&P 500 but small cap managers, for example, will be compared to the appropriate small cap benchmarks.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Market Index Used in Target Benchmark</th>
<th>Underlying Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>2 Indices used in Target Benchmark are effective as of March 25, 2015, December 19, 2016.</td>
<td></td>
</tr>
<tr>
<td>Asset Class</td>
<td>Index/Composite</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>U.S. Equities</td>
<td>S&amp;P 500, which represents a relatively broad</td>
<td>Portfolios are expected to focus on investments in the U.S. equity market.</td>
</tr>
<tr>
<td></td>
<td>investable universe of U.S. stocks</td>
<td></td>
</tr>
<tr>
<td>International Developed Equity</td>
<td>MSCI EA FE Index</td>
<td>Portfolios are expected to focus on the world’s developed markets, excluding the U.S.</td>
</tr>
<tr>
<td>Emerging Markets Equity</td>
<td>MSCI Emerging Markets Index</td>
<td>Portfolios are expected to focus on the world’s developing equity markets.</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>Hedge Fund Research Inc. (HFRI) Fund of Funds</td>
<td>Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.</td>
</tr>
<tr>
<td></td>
<td>Composite Index</td>
<td></td>
</tr>
<tr>
<td>Private Investments (Private Equity</td>
<td>2/3 CA Private Equity FOF (Fund of Funds) / 1/3 CA</td>
<td>This asset class includes non-publicly traded securities such as buyout funds, secondaries, and distressed debt. Market values and return information is lagged by one quarter, as the underlying investments are not readily valued at the close of the latest quarter.</td>
</tr>
<tr>
<td>and Venture Capital)</td>
<td>CA Venture Capital FOF</td>
<td></td>
</tr>
<tr>
<td>Real Estate (private)</td>
<td>NCREIF Property Index</td>
<td>Investments will be predominately in private real estate funds invested in various segments of the real estate market, including: office, industrial, multi-family, and retail.</td>
</tr>
<tr>
<td>Natural Resources and Timber (private)</td>
<td>NCREIF Property Index and 1/3 CA Private Natural</td>
<td>Investments will be in private oil and gas transactions, private real estate funds, and in timberland, possibly including related logging operations.</td>
</tr>
<tr>
<td>Private Real Assets</td>
<td>Resources</td>
<td></td>
</tr>
<tr>
<td>TIPS, Commodities, and Natural</td>
<td>Blended Benchmark of Public Real Asset Manager</td>
<td>Holdings consist of U.S.-issued TIPS, diversified commodities futures positions, and energy related equity securities.</td>
</tr>
<tr>
<td>Resource Equities Public Real Assets</td>
<td>Specific Benchmarks, one-half each: DJ UBS Bloomberg</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Commodities Index; S&amp;P North American Natural</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Resources Sector Index</td>
<td></td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>Barclays Capital Aggregate Bond Index; Bloomberg</td>
<td>Holdings consist of U.S. Treasury bonds, mortgages, and corporate credit investments.</td>
</tr>
<tr>
<td></td>
<td>Barclays Aggregate Bond Index</td>
<td></td>
</tr>
</tbody>
</table>

Individual manager accounts will be monitored for consistency of each manager’s investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.
X. MANAGER GUIDELINES

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere to the firm’s stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in effectively utilizing these instruments. For example, they may be used in reducing risk or replacing positions to gain flexibility and efficiency.

XI. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at cost and at market value, and purchases and sales for the quarter. Traditional marketable managers may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund’s custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide annually their most recent audited financial statements, which include the basis of accounting and the auditor’s opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers’ relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

XII. PROXY VOTING GUIDELINES

University of Vermont’s Endowment Accountant votes the shareholder proxies.

XIII. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

Adopted by the Board of Trustees on February 5, 2011, to replace the former “Statement of Investment Objectives and Policies,” as revised most recently on November 11, 2006.
Approved as revised by the Board of Trustees: February 9, 2013
Approved as revised by the Board of Trustees: February 8, 2014
Approved as revised by the Board of Trustees: February 6, 2016
Approved as revised by the Board of Trustees:
# APPENDIX A

## ASSET ALLOCATION POLICY TARGETS

Revised, as of February 2016

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target (%)</th>
<th>Allowable Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>19.0</td>
<td>15-30</td>
</tr>
<tr>
<td>Global ex U.S. Equity</td>
<td>24.00</td>
<td>15-45</td>
</tr>
<tr>
<td>International Developed Equity</td>
<td>11.0</td>
<td>10-25</td>
</tr>
<tr>
<td>Emerging Markets Equity</td>
<td>13.0</td>
<td>5-20</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>21.0</td>
<td>15-25</td>
</tr>
<tr>
<td>Real Assets (Inflation Hedging)</td>
<td>13.0</td>
<td>10-25</td>
</tr>
<tr>
<td>Private Equity / Venture Capital</td>
<td>13.0</td>
<td>5-20</td>
</tr>
<tr>
<td><strong>Subtotal Equity</strong></td>
<td>90.0</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>10.0</td>
<td>5-25</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>0.0</td>
<td>0-5</td>
</tr>
<tr>
<td><strong>Subtotal Fixed Income/Cash</strong></td>
<td>10.0</td>
<td></td>
</tr>
</tbody>
</table>

Appendix A Targets revised by Investment Subcommittee: February 17, 2016