

**THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES**

FULL BOARD

Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Secretary Curt McCormack, Briar Alpert, David Aronoff, John Bartholomew, Otto Berkes, Robert Brennan, Kevin Christie, Frank Cioffi, John Dineen, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein, David Gringeri, Donald McCree, Carol Ode, Ed Pagano, Governor Phil Scott, Shap Smith, Berke Tinaz, Tristan Toleno and Samuel Young

Friday, September 25, 2020

11:35 a.m. – 12:45 p.m.

This meeting will be held remotely. If interested in listening in, please dial:

1-802-489-6040; Conference ID: 501 957 793#

For any technical issues or questions, please email edickinson@uvm.edu

AGENDA

	Item	Enclosure/ Exemption	Discussion Leader(s)	Time
	Call to order			11:35 a.m.*
1.	Approval of July 14, 2020 meeting minutes	Attachment 1	Ron Lumbra	11:35-11:37
2.	Public comment		Ron Lumbra	11:37-11:52
3.	Committee reports			
	Audit		Shap Smith	11:52-11:57
	Educational Policy & Institutional Resources		Carolyn Dwyer	11:57-12:02
	Budget, Finance & Investment		Don McCree	12:02-12:07
4.	VT Agricultural College Board		Tristan Toleno	12:07-12:12
5.	UVM Board		David Aronoff	12:12-12:17
6.	Approval of consent agenda	Attachment 2	Ron Lumbra	12:17-12:22
	Motion to enter executive session**			
7.	Annual presidential review	Evaluation of a public officer	Ron Lumbra	12:22-12:42
	Motion to go out of executive session			
8.	Other business		Ron Lumbra	12:42-12:45
	Motion to adjourn			12:45 p.m.

*Times are approximate.

** The Chair will entertain a motion to enter into executive session for the purpose of discussing the evaluation of a public officer. No action is expected following the executive session.

**BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Tuesday, July 14, 2020, at 2:30 p.m. The meeting was held via remote conferencing due to the COVID-19 pandemic.

MEMBERS PRESENT: Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Secretary Curt McCormack, Briar Alpert, David Aronoff, Robert Brennan, Kevin “Coach” Christie, Frank Cioffi, John Dineen, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein, David Gringeri, Don McCree, Carol Ode, Ed Pagano, Shap Smith, Berke Tinaz, Tristan Toleno, and Samuel Young

MEMBERS ABSENT: John Bartholomew, Otto Berkes, and Governor Phil Scott

ALSO PARTICIPATING: Provost and Senior Vice President Patricia Prelock, Vice President for Legal Affairs & General Counsel and Chief of Staff to the President Sharon Reich Paulsen, Vice President for Finance & Treasurer Richard Cate, and Special Assistant to the Chief of Staff Erin Dickinson

Chair Ron Lumbra called the meeting to order at 2:31 p.m.

Approval of previous meeting minutes

A motion was made, seconded and it was voted to approve the minutes from the May 15, 2020, meeting as presented.

Sustainability Work Group report and recommendation

Leader Carolyn Dwyer reminded trustees that the Work Group was formed days prior to the COVID-19 pandemic. She expressed her deep appreciation to fellow Work Group members for giving their time and thoughtful consideration of the issue given the uncertain times faced by all in their professional and personal lives. She expressed her gratitude and admiration to Chair Lumbra and President Suresh Garimella for their leadership and commitment to this work recognizing the demands on their time are great and the challenges facing the institution are unprecedented. She extended appreciation to Vice Presidents Richard Cate and Sharon Reich Paulsen for their guidance and assistance.

Before presenting the report of the Sustainability Work Group, Trustee Dwyer noted the group began their work with the understanding that issues of divestment and sustainability action are complex, that there were diverse opinions to be considered, and that their action and outcomes would be significant. She wanted their work to reflect the following values: that they would listen to diverse perspectives; seek greater knowledge and learning; rely on facts and best practice; engage in constructive conversations; and seek common ground. She stated she hopes their work reflects the best of our community of higher education – a place for vigorous debate of ideas with the goal of a better UVM.

She next reviewed the format of the Work Group's report and context for accomplishing their task. The Work Group was established in March 2020 to advise the Board on fast moving trends around sustainable investment and to provide perspective to the Board on fossil fuel divestment.

Following its formation, the Work Group issued a call for public comment to the entire campus and was pleased to receive over 400 responses. During the course of two public meetings, the Work Group reviewed the input received, along with the Board's current investment policy and previous Board statements regarding fossil fuel divestment and coal divestment. The Work Group also examined the actions of other colleges and universities related to sustainability and investment practices.

In order to establish a shared foundation for evaluating the role of investments in sustainability practices, the Work Group requested a review of divestment feasibility by the Investment Subcommittee (ISC) of the Board of Trustees. It also tasked the University to provide a comprehensive report of UVM's sustainable practices, including but not limited to academic programs, research, facilities, transportation and campus programs. The breadth and diversity of efforts that were captured in the report reflect a long-standing, deep and meaningful commitment to sustainable practices, the comprehensive nature of which makes UVM a leader in higher education. A copy of that report (*UVM's Sustainability Culture and Actions*) is appended to the Work Group report and recommendation to demonstrate UVM's success and the varied approaches available to impact sustainability and demonstrate a commitment to the environment.

The Work Group reviewed existing University investments, noting current sustainable investment practices already in use. UVM's financial assets include cash reserves (managed by the University's Vice President for Finance and Treasurer), and an endowment (managed by the ISC). The cash reserves are not invested in any fossil fuel-related financial instruments. UVM's endowment is invested primarily in commingled funds, which reduce the risk of volatility due to market fluctuations. The funds are administered by independent investment managers who have investment discretion but operate according to direction received from the ISC. The UVM Foundation has a Green Fund that excludes fossil fuel investments and utilizes Environmental, Societal, and Governance (ESG) screens, including measures such as climate change.

At the Work Group's request, the ISC held a special meeting to review the feasibility of divestment from direct investments in fossil fuels. During the meeting, the ISC acknowledged financial and societal shifts since the Board last looked at the issue of divestment in 2013. It also noted the connection between divestment and the University's brand—specifically, UVM's focus on sustainability as an area of academic strength and research emphasis.

The ISC reviewed the divestment process of nearly a dozen other academic institutions along with UVM's portfolio to measure exact exposure, the potential costs and penalties, the practicality of timing, and investment management agreements. In addition, the ISC evaluated impact on asset allocation and risk return implications. It also considered the impact of imposing restrictions on the fiduciary obligation to maximize risk adjusted returns. Further, the ISC evaluated ways to more broadly incorporate ESG metrics for all investment decisions and researched investment options that focus on sustainability. The detailed analysis of the ISC reflects both the seriousness of the task and the complexity of any change in investment policy.

Trustee Dwyer reported that the Work Group recognizes the responsibility of the ISC to steward endowment assets in a manner that enables the Board to fulfill its fiduciary responsibility to protect the assets of the University in order to best enable the University to fulfill its academic

mission. The Work Group also recognizes that a large, diverse, thoughtful community like UVM's community will have well-reasoned and strongly held views on a range of issues. Where some may find personal actions and university initiatives to be the appropriate venue to address social concerns, others may advocate for action through investment decisions. Generally, it will not be appropriate to express the positions on issues of the day through investment and divestment decisions. However, in this case the Work Group believes there is common ground with respect to direct investment in fossil fuels.

Trustee Dwyer acknowledged that sustainability is integral to who UVM is as an institution and that the Work Group approached their recommendation in a way that was methodical, principled and built on strong foundational knowledge. She concluded by outlining the following recommended actions to divest the University's endowment from fossil fuel investment:

- UVM immediately cease all new direct investments in fossil fuels;
- UVM exit all public direct investments in fossil fuels by July 2023;
- UVM allow all preexisting commitments to multi-year private investment funds involving fossil fuels to lapse without extension or renewal, and make no additional investments in such funds;
- UVM continue investing in opportunities that focus on sustainability, climate change mitigation, and other Environmental, Social and Governance issues;
- UVM accelerate an engagement campaign with its commingled fund managers requesting that they factor the financial risks of climate change into their investment decision-making process and share their framework for doing so with UVM.

An opportunity for discussion was offered. Trustees expressed their gratitude to Trustee Dwyer for her leadership, and to members of the Work Group, ISC Chair Rob Brennan and Subcommittee members, and to the administration for conducting a thorough and collaborative process. Several expressed pride in the established timeline and for adding another milestone to UVM's long history of leadership on sustainability issues.

Chair Lumbra presented the following resolution for approval:

Resolution adopting the recommendations of the Sustainability Work Group regarding divestment from fossil fuels

WHEREAS, the Board of Trustees appointed the Sustainability Work Group in March 2020 to advise the Board regarding fast-moving trends around sustainable investment, including fossil fuel divestment;

WHEREAS, the Work Group sought and received input from the campus community and from the Board's Investment Subcommittee;

WHEREAS, the Work Group presented to the Board a report and recommendation based on its careful review of input received and its own independent study of the issue;

WHEREAS, the Board recognizes its responsibility to protect the assets of the University in order to best enable the University to fulfill its academic mission;

WHEREAS, the Board recognizes that it generally will not be appropriate to express positions on issues of the day through investment and divestment decisions;

WHEREAS, the Board acknowledges the connection between fossil fuel divestment and the University's focus on sustainability as an area of academic strength and research emphasis;

NOW, THEREFORE, the Board adopts the following recommendations from the Sustainability Work Group:

- UVM immediately cease all new direct investments in fossil fuels;
- UVM exit all public direct investments in fossil fuels by July 2023;
- UVM allow all preexisting commitments to multi-year private investment funds involving fossil fuels to lapse without extension or renewal, and make no additional investments in such funds;
- UVM continue investing in opportunities that focus on sustainability, climate change mitigation, and other Environmental, Social and Governance issues;
- UVM accelerate an engagement campaign with its commingled fund managers requesting that they factor the financial risks of climate change into their investment decision-making process and share their framework for doing so with UVM.

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

President Garimella expressed his deep appreciation to Trustee Dwyer for her leadership and to Work Group and Investment Subcommittee (ISC) members for their thoughtful work. He noted this has been a very educational process for him and that this will be a defining action of his administration.

Chair Lumbrera offered his gratitude for the collaboration between the Work Group, the ISC and the administration for all their efforts contributing to this positive outcome. He thanked and commended Trustee Dwyer for her excellent leadership and for carrying out this task during unprecedented times.

Research Vessel

President Garimella introduced a resolution approving a contract for construction of a research vessel noting it also supports the University's commitment to sustainability. He reported UVM has received a \$4 million federal grant from Great Lakes Fisheries to fund this capital project and acknowledged Senator Patrick Leahy's support. He explained the vessel will have a dual purpose serving as the primary science platform for UVM researchers on Lake Champlain to carry out a wide range of science missions as part of UVM's regional, Great Lakes and Global research commitments, and as a floating classroom for UVM classes, as well as middle school, high school and public groups taking part in National Oceanic Atmospheric Administration's (NOAA) Sea Grant Watershed Alliance education programs.

An RFP was released in April 2020 to a number of ship builders in the US to provide the construction of a 64' aluminum catamaran research vessel to be operated by the University's Rubenstein School of Environmental and Natural Resources and based at the Rubenstein Science Ecosystems Laboratory on Lake Champlain in Burlington, VT. The vessel will be powered with

BAE hybrid propulsion system, consistent with the Rubenstein School's strong commitment to the environment and sustainability.

The average timeline to build a vessel of this caliber is 12-18 months. The estimated completion and delivery of the vessel will either be by September 2021 or deferred to April 2022, as the waterways are closed in between.

Derecktor Shipyards is the selected vendor to construct the vessel in Mamaroneck, NY, for an amount not to exceed \$3,750,000. Additional negotiations are in place now to reduce the overall costs by 5-7%. President Garimella concluded by noting that an endowment has been established to support the maintenance of the vessel.

The following resolution was presented for approval:

Resolution approving contract for construction of a research vessel

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a contract with Derecktor Shipyards to build a research vessel for UVM with construction to take place from approximately August 2020 through April 2022, for an amount not to exceed \$3,750,000.

An opportunity for discussion was offered. Trustees expressed their excitement and support for this project and were pleased to learn resources have been secured for maintenance.

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

Adjournment

There being no further business, the meeting adjourned at 3:02 p.m.

Respectfully submitted,

Ron Lumbra, Chair

DRAFT
CONSENT AGENDA

September 25, 2020

COMMITTEE OF THE WHOLE

1. Resolution authorizing agreement with the City of Burlington to provide COVID educational circuits

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is hereby authorized to negotiate and execute a one-year agreement with the City of Burlington to provide COVID education to UVM students living in certain Burlington neighborhoods during the fall 2020 and spring 2021 semesters, for an amount not to exceed \$100,000.

2. Resolution approving Audit Committee Charter revisions

WHEREAS, the Audit Committee annually reviews its Charter and Guidelines and recommends to the Board of Trustees revisions thereto in view of evolving accounting standards, legal developments and experience gained;

BE IT RESOLVED, that the Board of Trustees hereby approves the revisions to the Audit Committee Charter and Audit Committee Guidelines, as included in Appendix A to this document.

3. Resolution authorizing new residency policy for medical school students

BE IT RESOLVED, that Board of Trustees hereby approves the new residency policy for medical school students recommended by the President, the Provost, and the Dean of the Larner College of Medicine, as included in Appendix B to this document.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

4. Resolution approving the creation of a Micro-Certificate of Graduate Study in the Graduate College

BE IT RESOLVED, that the Board of Trustees approves the creation of a Micro-Certificate of Graduate Study in the Graduate College as approved and advanced by the Provost and President on September 21, 2020.

BUDGET, FINANCE & INVESTMENT COMMITTEE

5. Resolution approving Fiscal Year 2021 budget planning assumptions: general fund

RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for Fiscal Year 2021, which lead to a General Fund operating expense budget for the University of \$370,334,000, and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

6. Resolution approving summer session tuition

BE IT RESOLVED, that the Board of Trustees hereby approves the tuition rate for summer session 2021 of \$478 per credit hour for in-state students and \$1,204 per credit hour for out-of-state students except that, with prior approval from the Provost, graduate programs may maintain summer tuition rates for 2021 in-state and out-of-state students equal to the prior fall and spring tuition rates for their program.

(As recommended by the Investment Subcommittee on August 12, 2020)

7. 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

*Reaffirmed: Board of Trustees - September 8, 2007
Board of Trustees - September 5, 2008
Board of Trustees - October 24, 2009
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
Board of Trustees - October 20, 2017
Board of Trustees - October 27, 2018
Board of Trustees - January 31, 2020
Board of Trustees -*

8. Resolution approving revisions to the Endowment Administration Fee policy

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

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves an endowment management fee equal to 25 basis points to be applied to the University endowment from July 1, 2020 through December 31, 2020, and which shall flow to the University; and

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves that an endowment management fee equal to 100 basis points, 80 of which shall flow to the University of Vermont Foundation and 20 of which shall flow to the University, shall be applied to the University endowment beginning as of January 1, 2021 [and continuing through June 30, 2022](#); and

BE IT FURTHER RESOLVED, that calculation of the endowment management fee will be based on 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
Board of Trustees - October 21, 2017
Board of Trustees - January 31, 2020*

*Amended: Board of Trustees - May 15, 2020
Board of Trustees –*

9. Resolution authorizing lease agreement extension with Champlain Community Sailing Center

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is hereby authorized to negotiate and execute three optional three-year extension terms of the existing lease with Lake Champlain Community Sailing Center for storage space at 505 Lake Street, Burlington, Vermont, for use by the UVM Sailing Club, subject to material terms and conditions reported on this date. The lease extension will begin November 1, 2020, and end October 31, 2029, if all renewal terms are exercised.

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES**

AUDIT COMMITTEE

Charter

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

I. Principal Responsibilities

The principal responsibilities of the Committee shall include:

- a. promoting the development and monitoring the effectiveness of an institutional system of risk assessment and internal controls. 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 document 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. The Committee shall ensure the proper rotation of the lead audit partner, in accordance with standards of the profession. ~~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 \$25,000 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 AU-C Section 250 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 Uniform Guidance 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 findings of financial fraud which, in single incident or aggregate, results in an institutional uninsured or insured loss in excess of \$10,000, or potentially significant reputational damage to the university;

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 Chief Financial Officer (CFO) a record of certification along with the annual financial statement report that:

a. The CFO has approved the financial statements,

b. Based on the CFO's knowledge, the report does not contain any material errors or omissions,

c. Based on the CFO's knowledge, the financial statements materially present the financial condition and result of operations,

d. The CFO is responsible for establishing and maintaining a system of internal controls over financial reporting, and that,

e. The CFO 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 and Privacy

- a. Review with the Office of Compliance and Privacy 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 and Privacy Services and management, findings of internal compliance auditing and monitoring activities;
- c. Review with the Office of Compliance and Privacy Services and management, findings of government agency audits, investigations, reviews and 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 and Privacy Services and management, the process for communicating the Code of Conduct and Ethical Standards to University personnel and for monitoring compliance therewith;
- e. Receive periodically, but not less than annually, reports from the Office of Compliance and Privacy Services on its activities;
- f. Receive updates from the Office of Compliance and Privacy 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 and Chief Privacy Officer.

As approved by the Board of Trustee: November 13, 2004

Approved as amended by the Board of Trustees: September 8, 2007

Revised by the Audit Committee: November 12, 2007

Approved as amended by the Board of Trustees: December 1, 2007

Revised by the Audit Committee: April 28, 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

Revised by the Audit Committee: July 10, 2017

Approved by the Board of Trustees: October 21, 2017

Approved by the Board of Trustees:



OFFICE OF AUDIT AND COMPLIANCE SERVICES
UVM.EDU/POLICIES



POLICY

Title: Residency - Larner College of Medicine

Policy Statement

The Vermont Legislature has established a lower rate of tuition for students who are Vermont residents. These regulations define eligibility requirements for in-state status classification within the Larner College of Medicine. All students enrolled at the Larner College of Medicine shall be assigned an in-state or out-of-state status classification consistent with these regulations. The establishment of domicile in Vermont is necessary, but not sufficient, for a student to qualify for in-state status.

Reason for the Policy

To define criteria for in-state residency status of medical students in accordance with Vermont Statute (Title 16, Chapter 75, section 2282).

Applicability of the Policy

This policy applies to all Larner College of Medicine students.

Definitions

In-state status: eligible for Vermont resident tuition rate.

Medical Experience: paid or volunteer work in a hospital, clinic, hospice, or other health care setting that is appropriate work experience to benefit a medical school application, including working as an emergency medical technician (EMT), medical scribe, or certified nursing assistant (CNA); volunteering at a hospice or indigent care clinic; volunteering on a medical mission trip; shadowing a physician via a preceptorship; or conducting academic laboratory research.

Procedures

In-State Classification Rules

1. Domicile shall mean a person's true, fixed, and permanent home. It is the place at which one intends to remain indefinitely, and to which one intends to return when absent.
2. In addition to establishing domicile, an in-state status applicant must reside in Vermont continuously for one full year prior to the semester for which in-state status is sought unless the applicant's absence is

temporary and for the express purpose of gaining Medical Experience, as defined herein, to support their application to the Larner College of Medicine, provided that:

- a. their absence from Vermont for the purpose of gaining Medical Experience does not exceed four academic semesters, excluding the summer term, prior to matriculation;
 - b. the applicant did not take steps to establish domicile in another state, other than legally required to effectuate the Medical Experience (e.g. filing of state taxes at the resident rate); and
 - c. the applicant was eligible for in-state status under UVM's [Residency Policy](#) for a minimum of one full year (12 months) immediately prior to leaving Vermont to gain Medical Experience.
3. A residence or domicile established for the purpose of attending UVM shall not qualify a student for in-state status.
 4. An in-state status applicant who applies for admission or registers for class within one year of moving to the state shall have created a rebuttable presumption that residency in Vermont is for the purpose of attending UVM and/or acquiring in-state status for tuition purposes.
 5. A domicile or residency classification assigned by a public or private authority other than UVM neither qualifies nor disqualifies a student for UVM in-state status. Such classification may be taken into consideration, however, in determining the student's status at UVM.
 6. Receipt of financial support by a student from his/her family shall create a rebuttable presumption that the student's domicile is with his/her family, regardless of whether the student has reached the age of 18.
 7. A student of parents legally separated or divorced may be granted in-state status if a noncustodial or joint custodial parent is domiciled in Vermont and has contributed more than 50 percent of financial support for at least one year prior to the semester for which in-state status is sought.
 8. The burden of proof as to eligibility for in-state status rests with the student. Eligibility must be established by clear and convincing evidence.

Irrespective of a student's in-state status as defined in this Policy, upon submission of appropriate documentation, UVM will charge members of the armed forces, veterans, and qualifying family members thereof, the in-state tuition rate in accordance with federal law (e.g. the Higher Education Opportunity Act and 38 U.S.C. 3679(c)) and further detailed in the University's [Tuition Billing for Members of the Armed Forces, Veterans, and their Families](#) Operating Procedure.

In-State Status Classification Documentation

1. The student must submit with the Application for In-State Status all relevant information.
2. The classification decision shall be made by the Residency Officer based upon information furnished by the student, information requested of the student, and other relevant information available consistent with University policies and procedures and legal guidelines.
3. Additional documents and/or verification may be requested.
4. The student's failure to produce information requested may adversely affect the decision for in-state status.
5. A student or others furnishing information may request the deletion of irrelevant private data from documents.
6. A determination of in-state status is valid only if a student actually enrolls for the semester in question. If a student does not enroll, they must submit a new and timely Application for In-State Status for subsequent semesters.

Appeal of In-State Status Classification

The decision of the Residency Officer must be appealed in writing to the Residency Appellate Officer within thirty calendar days of the date of the Residency Officer's written decision. Appeal to the Residency Appellate Officer is the final internal appeal at UVM.

In-State Status Reclassification

1. A student who does not qualify for in-state status classification may reapply for such classification once each semester by submitting the Application for In-State Status to the Residency Officer.
2. In-state status reclassification becomes effective for the semester for which the successful application was made, provided that the Application for In-State Status was received on or before the last day to add/drop classes for that semester. An application may be submitted as early as 75 days in advance of the first day of classes for a semester or as requested by the Residency Officer. Approved residency reclassification will not be applied retroactively to previous terms.

Re-Examination of Classification Status:

Classification status may be re-examined upon the initiative of the Residency Officer in the exercise of sound discretion. Circumstances such as periodic enrollment may be cause for re-examination. An in-state student who leaves Vermont may be required to re-apply and re-establish residency upon returning.

Contacts

Questions concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):	
Title(s)/Department(s):	Contact Information:
Residency Officer	Registrar@uvm.edu (802) 656-8515
Residency Appellate Officer	Residency.Appeals@uvm.edu (802) 656-2045

Forms/Flowcharts/Diagrams

- [Application for In-State Status](#)

Related Documents/Policies

- [Residency Policy](#) - Undergraduate and Graduate Studies
- [Tuition Billing for Members of the Armed Forces, Veterans and their Families](#)

Regulatory References/Citations

- Higher Education Opportunity Act and 38 U.S.C. 3679(c)
- Vermont Statute (Title 16, Chapter 75, section 2282)

Training/Education

Training will be provided on an as-needed basis as determined by the Approval Authority or the Responsible Official.

About This Policy

Responsible Official:	Vice Provost for Enrollment Management	Approval Authority:	President and the Chair of the Board of Trustees
Policy Number:		Effective Date:	
Revision History:			