A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, February 9, 2013 at 8:30 a.m. in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Robert Cioffi, Vice Chair Harry Chen, Secretary Donna Sweaney, Samuel Bain*, Bill Botzow, Christopher Bray, Frank Cioffi, David Daigle, Jeff Davis, Kyle DeVivo, Richard Gamelli, Joan Lenes, Dennis Mahoney, Debbie McAneny, David Potter, Kesha Ram, Dale Rocheleau, Bill Ruprecht, President Thomas Sullivan, Lisa Ventriss, Jeanette White and Mark Young

MEMBERS ABSENT: Carolyn Branagan, Robert Brennan and Governor Peter Shumlin

ALSO PARTICIPATING: Vice President for Legal Affairs and Assistant Secretary to the Board Francine Bazluke, Interim Senior Vice President and Provost Robert Low, Vice President for Executive Operations Gary Derr, Vice President for Finance and Administration Richard Cate, and Vice President for University Relations and Campus Life Thomas Gustafson

*via conference phone

Chair Robert Cioffi called the meeting to order at 8:40 a.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and it was voted to approve the minutes from the November 8, 2012 meeting as presented.

Public Comment

Chair Cioffi opened the public comment period. He invited Professor David Shiman, in his capacity as President of United Academics, to address the Board. Professor Shiman spoke about Governor Shumlin’s advisory committee report regarding the partnership between the State of Vermont and the University. He noted he was pleased with the recommendation that the University retain its public status and commented that the State provides relatively little amount of financial support, which needs to be addressed.

He next shared the following areas of concerns:

- The report focuses on the role of UVM in meeting the economic challenges of the State, with no mention of the traditional liberal arts education. He believes the importance of a liberal arts education should not be lost and would like to see this reaffirmed.

- The report recommends targeted allocations for Science, Technology, Engineering, Arts, and Math (STEAM) Investment Initiatives. While Professor Shiman recognizes the
importance of these initiatives, he expressed concern with the legislature inserting itself in the process of identifying curricular offerings at UVM.

- The report suggests looking at the balance of private and public trustees. Professor Shiman expressed concern with the recommendation that the number of public trustees be reduced, stating that legislators have a special sense of Vermont.

- Lastly, Professor Shiman expressed his desire that the recommendation to modify the 40% tuition cap rule for in-state students be further scrutinized, as education for Vermonter students should not be made less affordable.

Chairman Cioffi next introduced Ruth Shafer, a UVM senior and Community Outreach Representative and member of the Vermont Student Climate Culture (VSCC). She stated that, since the group last addressed the Board in November, over 2000 signatures have been collected in support of its proposal to divest from companies invested in fossil fuels. Earlier this week, the Student Government Association passed a resolution in support of the VSCC’s proposal.

Ms. Shafer went on to say that the VSCC’s efforts are about keeping the endowment stable and that that divestment from fossil fuels will better align the University with its mission of sustainability and social responsibility. She noted that external costs of $770 billion were paid in subsidies in 2012 and that the future is in renewable energy and green opportunities. She concluded by noting that VSCC is not the first organization to seek divestment, and encouraged Trustees to put their support behind this effort.

Committee Reports

Educational Policy and Institutional Resources Committee (EPIR)

Chair Donna Sweaney noted that the Committee received a report from Interim Provost Low that outlined the planning process he is developing and addressed strategic initiatives such as Envisioning Environment and Internationalization. Cathy Paris, Chair of the Curricular Affairs Committee, reported on activities since the last meeting and action items recommended for Board consideration.

The Committee endorsed the following action items for Board approval:

- creation of a Doctorate of Nursing Practice Degree
- creation of a Master of Science Degree in Clinical Nurse Leadership
- termination of the Canadian Studies Major

The Committee conducted its annual review of the Equal Employment Opportunity/Affirmative Action Policy and the Equal Opportunity in Education Programs and Activities and Non-Harassment Policy Statements. There are no recommended changes to either policy at this time and the Committee recommends the Board reaffirm both policies.
Dean of Extension Doug Lantagne presented a resolution approving the Addison, Rutland and Franklin County 4-H Foundations as Affiliated Organizations. The Committee endorsed the recommendation for Board approval.

The Committee also endorsed the proposal to re-constitute the UVM/FAHC Affiliation Agreement Work Group as the Work Group on Medical, Nursing and Health Sciences Education and Research. Committee Chair Sweaney noted that all of these action items appeared on today’s consent agenda for Board approval.

During its afternoon session, the Committee reviewed proposed revisions to the Gift Policy to reflect identification of the UVM Foundation as the primary and preferred recipient of gifts for the benefit of UVM. The policy will be circulated to the campus community for comment and will be presented to the Board in March for final approval, after taking into consideration any comments or concerns of the Committee and the campus.

The Committee received an update on the planning for development of an international pathway program that will enroll the first cohort of students in January, 2014. The Committee learned that a contract was just signed with the Study Group to provide international recruitment services and administrative support to operate a successful pathway program.

The Committee continued a discussion of academic quality begun at the last meeting and received a report on UVM’s efforts in the assessment of critical thinking at the University level. In particular two tools are being trialed: (1) the Collegiate Learning Assessment; and (2) the Critical Thinking Assessment Test.

Chair Cioffi thanked trustees serving on the re-constituted Work Group on Medical, Nursing and Health Sciences Education and Research. He recognized the expanded scope of the Work Group’s charge as a necessary component of the Board’s work.

**Budget, Finance and Investment Committee (BFI)**

Chair McAneny reported the Committee conducted its annual review of net assets and requested additional information at a future meeting. The Committee discussed the recommendation to rescind language added to the Debt Policy in 2007 to allow the debt burden to remain 6% in recognition of the need for new and renovated facilities to address critical needs and agreed to discuss the matter at a future meeting when University debt advisors could be engaged in the conversation.

Sam Bain, Chair of the Investment Subcommittee (ISC), reported that the current value of the University endowment is up 13% at $354.4 million, and that market value in the endowment is back to its pre-fall 2008 value. The ISC is scheduled to meet later this month to discuss hedge funds and asset allocation targets. He also reported that, since the last meeting, the Socially Responsible Investing Advisory Council has been focusing on organizing its new structure and establishing operating guidelines for the first town hall meeting which will take place on February 20.

Action items recommended by the ISC and approved by BFI for recommendation to the Board include:
• Resolution Approving Revisions to the University of Vermont Statement of Investment Policies and Objectives to reflect changes to the indices used in the Target Benchmark

• Resolution Approving Amendments to the Investment Subcommittee Charge which incorporates the Investment Management agreement between the University and the Foundation.

As part of the beginning of the budget discussion leading up the Board’s approval of the budget in May, the Committee reviewed comparison data for recent and historical tuition and fee charges for the University and its public and private peers. Chair McAneny encouraged all Trustees to review the comparison charts included as attachment 5 in the BFI Committee materials. The Committee endorsed a resolution that has been added to the consent agenda setting the maximum room, meal plan rates and other fees for FY 2014.

President Sullivan updated the Committee on the FY 2014 budget planning process, highlighting his strategic priorities, budget balancing principles, decision making criteria and overall budget process. The current target is a $5M reduction in base expenditure to balance the budget.

Chair McAneny concluded by reminding Trustees that there will be a BFI planning meeting on April 8 in preparation of presenting the budget for approval at the annual meeting in May.

Audit Committee

Chair Mark Young reported that, at the request of the State Auditor’s Office, he and Vice Chair Dale Rocheleau attended an informal meeting before yesterday afternoon’s Committee meeting, to discuss the transition of the oversight of the Chief Compliance and Privacy Officer to the Chief Internal Auditor. Tanya Morehouse attended on behalf of the State Auditor and Chief Internal Auditor Bill Harrison and Chief Compliance and Privacy Officer Anna Drummond were also present.

At its meeting, the Committee received a report from the Chief Internal Auditor regarding the results of Gift and Endowment Expenses and Travel Expenses audits. Additionally, the Committee reviewed a table containing the status of internal audit recommendations and management’s responses.

The Chief Compliance Officer reported on the component of the FY 2013 Compliance work plan that addresses international education compliance issues, with a focus on immigration issues. The Committee reviewed results of the Office’s third annual compliance awareness survey which noted continued improvement in all awareness measures. Additionally, the Committee was updated on ongoing work such as exit interviews conducted with departing employees who have held positions with significant compliance responsibilities.

Information Security Officer Dean Williams provided the Committee with an overview of his Office’s plans for an external vulnerability assessment and penetration testing of the PeopleSoft system. Additionally, the Committee was updated on efforts in the areas of information security education, supporting compliance with the payment card industry data security standard (PCI DSS), and ongoing projects.
KPMG presented the FY 2012 OMB Circular A-133 Audit. For the financial statements, the University received an unqualified opinion. In the report on internal control and compliance based on the audit of the financial statements, the opinion was unqualified with no material weaknesses. In the report on compliance and internal control at the program level, the opinion on compliance was unqualified with no material weaknesses or significant deficiencies noted. There were no reportable findings and the University is considered a low-risk auditee.

The Committee also reviewed the 2012 NCAA Agreed-upon Procedures Report with no significant adjustments noted by KPMG.

KPMG outlined its plan for the FY 2013 annual audit of financial statements and compliance audits. The Committee endorsed a resolution authorizing and directing the Chair Young to retain KPMG to conduct the mandatory annual audit of financial statements and compliance audit for fiscal year ending June 30, 2013.

Chief Information Officer David Todd provided a summary of the Request for Quotations to obtain an external Information Technology vulnerability assessment and penetration testing. Testing will be completed in April and a report from the vendor is expected in May. Chair Young expressed his continuing concern about the amount of private information available on the University’s systems.

Vice President for Administration and University Treasurer Richard Cate provided an update the status of management’s corrective actions relating to laboratory safety issues and recent Enterprise Risk Management activity. Controller Claire Burlingham offered a summary of the results of the Grant Thornton PurCard Program Review. Chair Young noted that there was $29M in spending in FY12 on the purchasing cards and that the current system does not integrate well with PeopleSoft. A new vendor, US Bank, has been identified as the issuer for the purchasing card program. The new program will allow for a better integration between PeopleSoft and the PurCard system.

Lastly, the Committee reviewed and endorsed amendments to the Trustee Conflict of Interest Policy as recommended by the Committee on Board Governance. Two additional edits were proposed to the definition of ‘substantial interest’. A resolution approving the revised policy is included on the consent agenda.

Committee on Board Governance

Chair Frank Cioffi reported that the Committee met on December 10, 2012 and, as reported by Audit Committee Chair Young, reviewed and recommended proposed amendments to the Trustees Conflict of Interest Policy addressing trustee employment at UVM and trustee or trustee affiliate commercial transactions and clarifying the definition of a ‘substantial interest’.

The Committee endorsed the recommendation that the Guidelines for the Selection of University Trustees be revised to include additional language requiring a meeting to occur at least once annually -- the group comprised of Board and Committee Leadership, the President, and a student trustee, as vacancies arise, to discuss the Board’s compositional needs. The Committee referred the revised Guidelines to the Executive Committee, which approved the revision on December 10, 2012.
Lastly, the Committee approved for referral to the Board the slate of Board and University officers, after which the Chair issued a memorandum to the Board to advise trustees of the nominees. Following Committee reports today, the Committee Chair stated, the Board will vote on the slate for Vice Chair, Secretary, and University officers. In accordance with the University Charter, the Chair is elected at the first meeting following the election of new trustees. The election of Chair will thus occur at a special Board meeting scheduled on March 11, 2013, at 1:00 p.m.

_Vermont Agricultural College Board_

Chair David Potter reported that President Sullivan joined the meeting for a discussion regarding the FY 2014 Appropriation Request to the State of Vermont. President Sullivan reported the $40.7 million request will be divided as follows to support areas of activity at UVM: 25% for agriculture; 25% for the College of Medicine; and 50% for financial aid for Vermont students. He further reported that the recommended tuition increase is the lowest in 36 years and reminded Trustees that 45% of Vermonters attend UVM tuition free.

The Board also discussed the selection of trustees to succeed the retiring class. On February 21, the Joint Assembly, for the first time ever, will consider a non-legislative candidate along with approximately 14-15 other candidates whom have expressed interest in serving on the Board.

_University of Vermont Board_

Chair David Daigle reported that the Board reviewed and accepted the annual Wilbur Trust Grant and Scholarship Awards for the 2011-2012 academic year. He noted that, in academic year 2011-2012 199 Vermont residents received grants and awards totaling $805,000.

The Board also reviewed a summary of the Wilbur Trust Fund financial report from July 2012 to November 2012.

Chair Daigle noted that three members of the Board will be completing their terms of service in 2014 and that the Board met in executive session to discuss the appointment of a public officer.

_Election of Board and University Officers_

Chair Cioffi announced that the Board would next be electing the following Board officers: Vice Chair, Secretary and Assistant Secretary, along with University officers, and that each officer elected will take office effective March 1, 2013. Trustees were reminded that, in accordance with the University Charter, the Chair is elected at the first meeting following the election of new Trustees.

He then asked Frank Cioffi, Chair of the Board Governance Committee, to identify the slate by office and proposed nominee.
Committee Chair Cioffi presented the following slate:

Chair: Robert Cioffi  
Vice Chair: Deborah McAneny  
Secretary: Joan Lenes  
Assistant Secretary: Francine Bazluke

Chair Cioffi asked for additional nominations. No further nominations were made.

A motion was made, seconded and it was unanimously voted to elect the proposed slate of candidates for Vice Chair, Secretary and Assistant Secretary.

In accordance with the Bylaws, Board Chair Cioffi next entertained a motion for appointment of the following University officers by virtue of their office for a one-year term beginning March 1, 2013, or until their successors take office:

Interim Provost: Robert Low  
Treasurer: Richard Cate

A motion was made, seconded and it was unanimously voted to elect the officers as proposed.

Chair Cioffi acknowledged that Thomas Sullivan continues as President, his appointment as previously approved by the Board.

Chair Cioffi thanked members of the Board Governance Committee for conducting a very inclusive nominations process.

Board Governance Committee Chair thanked Committee members for bringing forward a process to identify desired characteristics and skill sets for Trustees.

Retiring Trustees

Chair Cioffi recognized and thanked retiring trustees Harry Chen, Jeff Davis, Kyle DeVivo, Donna Sweaney and Jeanette White. He read resolutions in recognition of their service on the Board and to the University and presented each with a framed copy of the resolution, noting that he would seek approval of the resolutions as part of the consent agenda.

Approval of Consent Agenda

Chair Cioffi presented the following revised consent agenda for approval, with new resolutions highlighted and one resolution removed:

AUDIT

1) Resolution Authorizing Retention of External Audit Firm for FY 2013

RESOLVED, that the Committee authorizes and directs the Committee Chair to retain KPMG LLP, Certified Public Accountants, to conduct the mandatory annual audit of the financial
statements and compliance audits for the fiscal year ending June 30, 2013, in accordance with the fee schedule set forth in KPMG’s proposal for services dated December 23, 2008. The annual audits shall be conducted in compliance with the requirements of the University Bylaws and state and federal law.

2) **Approval of Amended Trustee Conflict of Interest Policy**

WHEREAS, the *Trustee Conflict of Interest Policy* has been revised to include a new definition of “substantial interest” and additional policy elaboration on commercial transactions and Trustee employment with UVM; and

WHEREAS, the Committee on Board Governance endorsed the revisions to the *Trustee Conflict of Interest Policy* on December 17, 2012;

BE IT RESOLVED, the Audit Committee hereby approves the amended *Trustee Conflict of Interest Policy* appearing as Appendix A to this document and recommends it to the Board of Trustees for approval.

**COMMITTEE OF THE WHOLE**

3) **Resolution Awarding Contracts for Vehicle Rental**

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is authorized to execute contracts with Hertz Corporation, Thrifty Car Rental, and Majestic Car Rental Group, Inc. for vehicle rental services. Each contract will begin February 15, 2013 and end February 14, 2016, with the option of two one-year renewals, and the total of all three contracts over a five-year period will not exceed $2.5 million.

4) **Resolution Approving STERIS Corporation Contract**

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, in consultation with the Director of Technical Services Partnership (TSP), is authorized to enter into a contract with STERIS Corporation for maintenance management services for an amount not to exceed a total of $1.1 million for FY 2013 and FY 2014.

5) **Resolution Approving Contract Extension with University Health Plans**

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, in consultation with the Director of the Center for Health and Wellbeing and the Director of Risk Management and Safety, is hereby authorized to negotiate a one-year contract extension for student health insurance with University Health Plans, at an estimated amount of $3.8 million beginning August 1, 2013 and ending July 31, 2014.

6) **Resolution Approving Increase in Expenditure Authority for Library Acquisition Agreement with Elsevier, Inc.**

BE IT RESOLVED, that the authority for expenditures authorized by Resolution of the Board of Trustees on September 12, 2011 with Elsevier, Inc., is increased by $1,500,000 resulting in a total authorization of $5,550,000 through the period ending December 31, 2014.
7) Resolution Naming 438 College Street

WHEREAS, Lattie F. Coor served with distinction as President of the University of Vermont from 1976 to 1989, and

WHEREAS, Dr. Coor was instrumental in securing UVM’s place in the ranks of America’s finest national universities, and

WHEREAS, Lattie F. Coor has been widely recognized as one of the most influential leaders in all of American higher education, and

WHEREAS, Dr. Coor’s UVM faculty appointment was in the Department of Political Science, College of Arts and Sciences,

THEREFORE BE IT RESOLVED, in order to honor Lattie F. Coor, the Board of Trustees hereby approves the naming of 438 College Street, to be known hereafter as The Lattie F. Coor House.

8) Resolution Ratifying Gift Agreement

RESOLVED, that the Board ratifies the gift agreement into which the University has entered, on the agreement terms and conditions reported on this date.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES

9) Resolution Approving Creation of a Doctorate of Nursing Practice Degree

RESOLVED, that the Board of Trustees approves the creation of a Doctorate of Nursing Practice Degree, approved and advanced by the Provost on January 22, 2013 and the President on January 23, 2013.

10) Resolution Approving Creation of Master of Science Degree in Clinical Nurse Leadership

RESOLVED, that the Board of Trustees approves the creation of a Master of Science Degree in Clinical Nurse Leadership, approved and advanced by the Provost on January 22, 2013 and the President on January 23, 2013.

11) Resolution Approving Termination of Canadian Studies Major

RESOLVED, that the Board of Trustees approves the termination of the Canadian Studies Major, approved and advanced by the Provost on January 22, 2013 and the President on January 23, 2013.

12) Resolution Reaffirming Equal Opportunity Statements

RESOLVED, that the Board reaffirms the Equal Employment Opportunity/Affirmative Action Policy Statement, as attached hereto as Appendix B, and the Equal Opportunity in Educational Programs and Activities and Non-Harassment Policy Statement, attached hereto as Appendix C, both effective as of February 9, 2013.
13) Resolution Approving the Addison County 4-H Foundation, Inc., the Rutland County 4-H Foundation, Inc., and the Franklin County 4-H Foundation, Inc. as Affiliated Organizations

BE IT RESOLVED, that the Addison County 4-H Foundation, Inc., the Rutland County 4-H Foundation, Inc. and the Franklin County 4-H Foundation, Inc. are approved as affiliated organizations of the University of Vermont in support of 4-H programs administered by UVM Extension Services, subject to the execution of a Memorandum of Understanding pursuant to the University’s Affiliated Organization’s Policy.

BE IT FURTHER RESOLVED, that the President is authorized to enter into these Memoranda of Understanding for a term of three years each.

14) Resolution Re-Constituting the UVM/FAHC Affiliation Agreement Work Group as the Work Group on Medical, Nursing and Health Sciences Education and Research

WHEREAS, the Board earlier established a Work Group, the UVM/FAHC Affiliation Agreement Work Group, comprised of Trustees designated to meet periodically at the request of the Board Chair or the President to receive status reports and advise the administration on matters relating to the University's Affiliation Agreement with Fletcher Allen Health Care; and

WHEREAS, the Board recognizes the present and continuing importance of academic program initiatives and arrangements relative to medical, nursing and health sciences education and related academic programs and clinical activities, as well as medical, nursing and health sciences research;

BE IT RESOLVED, that the scope of the Work Group be expanded to receive status reports and advise the administration and the Board on academic program initiatives and arrangements relative to medical and health sciences research, and education and related academic programs and clinical activities of the College of Medicine and the College of Nursing and Health Sciences; and

BE IT FURTHER RESOLVED, that the Work Group shall be re-named the Work Group on Medical, Nursing and Health Sciences Education and Research; and

BE IT FINALLY RESOLVED, that the Work Group shall be comprised of the Board Chair ex officio, the President or the President’s designee, and three additional Trustees.

BUDGET, FINANCE & INVESTMENT COMMITTEE

15) Annual Review of Debt Policy [deferred]

WHEREAS, in September 2004 the Board adopted a Debt Policy to guide the portfolio management of debt, to be reviewed annually; and 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 October 2011; and

WHEREAS, the University Debt Policy states that the debt ratio will not exceed 6%; the current debt ratio is 5.2205%; and on December 1, 2007 the Board of Trustees adopted the following
statement: “That the Board directs the Administration to develop and implement a plan to lower the debt burden ratio to 5% by 2017”; and

WHEREAS, the University’s Strategic Action Plan and Capital Project Priorities Plan call for addressing facilities needs for which the administration anticipates that some debt will be required;

NOW, THEREFORE, BE IT RESOLVED, that the language in the University Debt Policy reducing the debt ratio to 5% by 2017, cited above, is hereby rescinded and the debt ratio limit in the Policy will remain 6%.

BE IT FURTHER RESOLVED, that the Board hereby reaffirms the Policy, as amended, appearing as Appendix D to this document.

(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE – December 19, 2012)

16) Resolution Approving Revisions to the University of Vermont 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 Budget, Finance and Investment Committee was charged with the periodic review of the Statement of Investment Policies and Objectives; and

WHEREAS, on December 19, 2012, the Investment Subcommittee reviewed revisions to the Statement of Investment Policies and Objectives, as appended, to reflect changes to the indices used in the Target Benchmark, and the Investment Subcommittee is now recommending adoption of the Statement of Investment Policies and Objectives, as revised;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the Statement of Investment Policies and Objectives appearing as Appendix D to this document.

17) Resolution Approving Amendments to the Investment Subcommittee Charge

RESOLVED, that Board hereby approves amendments to the Investment Subcommittee charge appearing as Appendix E to this document.

18) Resolution Setting Maximum Room, Meal Plan Rates and Other Fees, Fiscal Year 2014

RESOLVED, that the Board of Trustees hereby sets the maximum room and meal plan rates and other fees for Fiscal Year 2014 as follows:

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<tr>
<td>Room (Standard Double)</td>
<td>$6,844</td>
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<tr>
<td>Predominate Meal Plan</td>
<td>$3,558</td>
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<tr>
<td>Total Comprehensive Fee</td>
<td>$1,786</td>
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UG Student Government Association (SGA) Fee $174
UG Inter Residence Association (IRA) Fee $30

FULL BOARD
Retiring Trustee Resolutions

Harry L. Chen

WHEREAS, Harry L. Chen is nearing the completion of his term as Trustee of the University of Vermont and State Agricultural College;

WHEREAS, Harry Chen has enriched the Board by providing sound, practical leadership as Board Vice Chair, discharging his responsibilities with outstanding dedication in service to the greater good of UVM;

WHEREAS, Harry Chen has led the Board in his service as Vice Chair of the Executive Committee and the Vermont Agricultural College Board, along with membership on the Audit Committee, the Committee on Board Governance, the Budget, Finance & Investment Committee, the Educational Policy & Institutional Resources Committee, the Annual Review Subcommittee, and through his leadership of the Honorary Degree Work Group and service on the ad hoc Labor Advisory Group, the UVM/FAHC Affiliation Agreement Work Group, the Foundation Work Group and the Internationalization Work Group;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont and State Agricultural College expresses its appreciation, affection and heartfelt best wishes to Trustee Harry L. Chen.

Jeffrey L. Davis

WHEREAS, Jeffrey L. Davis is nearing the completion of his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Jeff Davis has provided the Board with significant knowledge, experience, and generosity during his service as Co-Vice Chair of the Educational Policy & Institutional Resources Committee, along with membership on the Audit Committee, the Finance & Investment Committee, the Investment Subcommittee, and through his service on the ad hoc Labor Advisory Group, the Socially Responsible Investing Work Group, and the Internationalization Work Group;

WHEREAS, Jeff Davis has further served the University as a member of the Alumni House Committee and through the extraordinary generosity of the Davis family gift, the Dudley H. Davis Center was named in honor of his father;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont and State Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee Jeffrey L. Davis.
Kyle A. DeVivo

WHEREAS, Kyle A. DeVivo is nearing the completion of his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Kyle DeVivo has articulated clear perspectives, offered astute and useful guidance, and has participated fully and constructively during his service on Board Committees including the Educational Policy and Institutional Resources Committee, the Budget, Finance & Investment Committee and Committee on Board Governance, with additional service as a member of the Honorary Degrees Work Group;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont State and Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee Kyle A. DeVivo.

Donna G. Sweaney

WHEREAS, Donna G. Sweaney is nearing the completion of her term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Donna Sweaney has served the University of Vermont with enthusiasm and distinction as Secretary of the Board, and in her committee leadership as Chair of the Educational Policy & Institutional Resources Committee, Vice Chair of the Committee on Board Governance and Secretary of the Vermont Agricultural College Board, and through her membership on the Budget, Finance & Investment Committee, the Executive Committee and the Annual Review Subcommittee;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont and State Agricultural College expresses its appreciation, affection and heartfelt best wishes to Donna G. Sweaney.

Jeanette White

WHEREAS, Jeanette White is nearing the completion of her term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Jeanette White has offered valuable service and insightful perspectives to the Board in her committee leadership as Chair and Secretary of the Vermont Agricultural College Board and Vice Chair of the Committee on Board Governance and in her membership on the Audit Committee, the Educational Policy & Institutional Resources Committee, the Investment Subcommittee, and through her service on the Honorary Degrees Work Group and ad hoc Committee on Trustee Recruitment;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont and State Agricultural College expresses its appreciation, affection and heartfelt best wishes to Jeanette White.

An opportunity for discussion was offered. There being none, a motion was made, seconded and it was unanimously voted to approve the consent agenda as presented.
Executive Session

At 9:37 a.m., Chair Cioffi entertained a motion to enter into executive session to consider contracts. The motion was made, seconded and approved. All in attendance were excused from the meeting with the exception of Interim Senior Vice President and Provost Robert Low and Vice Presidents Bazluke, Cate, Derr and Gustafson.

At 10:50 a.m., the meeting was re-opened to the public.

Adjournment

There being no further business the meeting was adjourned.

Respectfully submitted,

Donna Sweaney, Secretary
CONFLICT OF INTEREST POLICY

Policy Statement

University Trustees work in service to the institution and the public trust and are obligated to fulfill their responsibilities in a manner consistent with this charge. All decisions of the Board and its members individually must be made in good faith, with diligence and care, in a manner reasonably believed to be in the best interests of the University, and with due regard for the University’s reputation. It is therefore the policy of the University and this Board that Trustees have an affirmative duty to identify, disclose and manage conflicts in conformance with this Policy and the law.

Definitions

Conflict of interest. A conflict arises when there is a direct or indirect potential, apparent or actual divergence between a Trustee’s private interests and his or her fiduciary duties as a University Trustee. Conflicts may affect non-financial as well as financial Trustee interests. The Trustee may be personally involved in a proposed transaction, have an employment, fiduciary or investment relationship with an entity with which the University is dealing, or have a family relationship with a person or entity with which the University is engaged.

For purposes of this Policy, a conflict of interest arises where the relevant material facts affect a Trustee, a member of his/her immediate family, or an affiliate, as herein defined. In the case of conflicts involving a member of the immediate family or an affiliate of a Trustee, the Trustee is obligated to make disclosure when he or she knows or reasonably should know of a conflict.

An apparent conflict exists when a reasonable person would conclude from the circumstances that a Trustee’s ability to discharge his or her duties as a Trustee, as summarized in the Policy Statement above, are compromised by personal interest.

A member of the immediate family of a Trustee includes a spouse or civil union partner, child, parent, sibling, or such relations by marriage or civil union partnership (wherever residing), person claimed as a dependent for federal income tax purposes partnership (wherever residing), and any relative residing in the same household as the Trustee. There may be other family members as to whom disclosure should also be made to avoid the appearance of a conflict, and doubts should be resolved in favor of disclosure.
An affiliate includes a business, association, corporation, or other legal entity in which a Trustee or a member of his/her immediate family is a director, trustee, officer, partner, joint venturer, principal, employee, owner, and/or holder of five percent (5%) or more of voting stock or a controlling interest. In addition, an affiliate is an entity from which the Trustee or a member of his/her immediate family otherwise annually receives or has the right to receive $10,000 or more compensation, income, or other financial consideration or value.

A “substantial interest” means an interest in “business” “with which the Trustee is associated” in the manner and to the extent described in this paragraph. A “business” is any of the following organized for profit: a. Association; b. Business trust; c. Corporation; d. Enterprise; e. Joint venture; f. Organization; g. Partnership; h. Proprietorship; i. Vested trust; j. Every other business interest, including ownership or use of land for income. A business “with which the Trustee is associated” means a business in which the Trustee or any member of the Trustee’s immediate family: a. Is an employee; b. Holds a position as a director, officer, partner, proprietor, or member or manager of a limited liability company, irrespective of the amount of compensation received or the amount of interest owned; or c. Owns a legal, equitable, or beneficial interest of five percent (5%) or more of the business, other than as a trustee on a deed of trust.

Policy Elaboration

It is not possible to provide an all-inclusive list of situations giving rise to a conflict of interest. In general, Trustees may not use their positions or confidential information to which they become privy as Trustees for the gain of themselves or others. Below are examples of situations presenting potential, actual or apparent conflicts.

1. **Commercial transactions.** The University will consider engaging in commercial transactions, such as contracts for goods or services, with a Trustee or any business entity in which a Trustee has a substantial interest only if the proposed transaction has undergone the customary conflict of interest disclosure and University procurement processes and, after review, the Board Audit Committee determines that the transaction is in the best interests of the University, following which the Board must take action on the Audit Committee’s recommendations. Examples of when such a contract might be in the best interest of the University include, but are not limited to, when it has financially advantageous terms, when the goods or services to be provided are demonstrated to be unique, or when the contract is a continuation of a contract that was in effect before the person with the substantial interest became affiliated with the University. Commercial transactions between a Trustee and the University are not per se barred under this Policy. In such situations, however, due to the actuality or appearance of a conflict, it is essential that, as to such proposed transactions, there is strict adherence to disclosure and recusal protocols. Such transactions will be permissible if (a) the transaction is at fair market value; (b) the University considers alternative competitive proposals; and (c) the
University determines that the transaction is fair and reasonable to, and clearly in the best interests of, the institution, despite an actual or apparent conflict.

2. **Confidential, Proprietary or Privileged Information.** Except as required by law, no Trustee shall, without proper Board or institutional authorization, give or release University information or data (“Information”) of a confidential, proprietary or privileged nature, or use such Information to gain personal advantage or avoid personal detriment, insofar as such Information is not in the public domain. This rule applies to Trustees during and after their University service relative to Information acquired in the course of their Trusteeship.

3. **Business Opportunities.** No Trustee shall divert from the University for private gain of self or others a business opportunity in which the University would foreseeably engage in furtherance of its mission, unless the University has been offered, and through an authorized official declined, a right of first refusal.

4. **Trustee Employment at UVM.** Except under extenuating circumstances as determined by a two-thirds (2/3) majority of the Board, no Trustee may enter into compensated employment with the University while the individual is a Trustee and for a period of one year after leaving the Board. This prohibition does not apply to student trustees who wish to engage in part-time University employment during their trusteeship, subject to the conflict of interest disclosure rules otherwise state in this Policy.

5. **Employment or Retention of Immediate Family Members or Affiliates.** No Trustee may be directly or indirectly involved in the hiring, supervision, performance evaluation, compensation or retention of personal or business services by the University of an immediate family member or an affiliate.

56. **Remuneration, Honoraria, Gifts, and other Consideration**

   a. **From External Parties.** No Trustee shall solicit or accept from any person, organization, corporation, or other legal entity (or representatives thereof) seeking to do, or doing, business with, or otherwise gain benefit from, the University, any remuneration, gift, gratuity, services, loans, travel, entertainment or other consideration of more than nominal value in exchange for a promise, or reasonable inference, that the Trustee’s influence with the University has been exchanged for such consideration. This prohibition applies without limitation to vendors, contractors, sponsors, donors, and job or admissions applicants.

   b. **From the University.** It shall not be considered a conflict of interest for a Trustee to accept from the University (1) gifts or other items of value in consideration of his/her service or retirement from University service; (2) customary honoraria; (3) reasonable reimbursement for travel, food, or lodging for expenses incurred in connection with
University Trusteeship pursuant to applicable University policy and procedures; or (4) complimentary tickets for a Trustee and his/her guest at University functions or events when the presence of the Trustee is deemed to serve the best interests of the University

c. **From External Parties or the University.** No Trustee shall solicit or accept any fee or honorarium offered in return for a speech or appearance or article made or written in the individual’s official capacity as a Trustee. Reasonable and necessary expenses reimbursed to the Trustee for participation in such an event are permissible subject to the filing of a conflicts disclosure form. Any such appearance shall be subject to the provisions of the Statement of Trustee Responsibilities, and in particular the requirement that a Trustee recognize that the President is the spokesperson for the University and the Chair is the spokesperson for the Board and that, when a Trustee engages in communications with University personnel, students, the citizenry, and the media on an individual basis, the Trustee shall be guided by the duty of loyalty as set forth in the Statement of Trustee Responsibilities.

67. **Employment of University Personnel.** A Trustee wishing to employ or retain a University officer of administration for private consulting or other non-University purposes must first obtain from the General Counsel an opinion as to whether such engagement does, or may, give rise to a conflict of interest. If the General Counsel concludes that a conflict does, or may, arise, the Trustee shall disclose the proposed employment or consulting arrangement to the Board Chair. The Board Chair will either authorize or decline to authorize the proposal, conferring with the Executive Committee in his/her discretion. If the proposal is authorized, the Chair shall communicate the authorization in writing to the Trustee, with a copy to the General Counsel. The Trustee’s Conflict of Interest Disclosure Form shall then be amended to reflect the affiliation. In the case of proposed employment of other University personnel, the Trustee should consider whether such employment might reasonably result in a conflict of interest and, if so, he/she should thus amend the Conflict of Interest Disclosure Form.

78. **Testimony.** A Trustee who testifies in person or through recorded or written communication before any public body or public official, whether judicial, legislative or administrative, shall make it initially and clearly known on the record when s/he is speaking on the matter as a University representative. Trustees shall obtain authorization to speak on behalf of the University by means of customary governance protocols.

89. **Political or Appointive Office.** The constituency of each Trustee is the University, regardless of the source of appointment. Trustees whose service on the Board is incidental to elective or appointive office shall engage in such service with due regard for the fiduciary duties of a Trustee, and in a manner consistent with this Policy.
Summary of Protocol

Upon commencement of Board service, Trustees file Conflicts Disclosure Forms, amending them no less than once annually and otherwise as circumstances dictate.

In advance of any meeting at which a conflict may foreseeably arise, the Trustee must disclose the conflict to the Committee Chair (and/or to the Board Chair if the conflict will arise during a Board meeting). The Trustee, Committee Chair, or Board Chair may request an opinion on the existence of a conflict from the General Counsel. In the event that a Board Chair or a Committee Chair conflict is in issue, the disclosure shall be made to the Vice Chair, who may also request a legal opinion from the General Counsel.

Once having disclosed the conflict, the Trustee may him/herself decide to decline to participate in discussion of, and any vote upon, the matter as to which a conflict exists. In such instances, the meeting record shall reflect his/her self-recusal and abstention.

If the Trustee does not her/himself decline to participate in discussion of the matter as to which a conflict exists, the Committee (or Board) Chair shall, prior to consideration of the matter, and in open session, identify the conflict. In the event that a Board Chair or Committee Chair conflict is in issue, the Vice Chair shall identify the conflict. The Trustee as to whom a conflict is identified may participate in open session discussion of the matter if a majority of the members of the Committee or the Board authorize such participation by majority vote; if such authorization is given, the Trustee shall nonetheless abstain from voting on the matter. The Trustee shall be excused from any portion of an Executive Session devoted to the matter as to which a conflict arises.

A Trustee who recuses from participation in discussion of, and/or voting upon, a matter before a Committee or the Board shall not be counted toward a quorum.

Protocol

Disclosure Forms

Each Trustee shall file a Trustee Disclosure Form at the time of initial appointment and by March 1 of each subsequent year of service. The Form will require the Trustee to acknowledge his/her review of the Policy and to agree to disclose on the Form and as otherwise required by the Policy any matter as to which a conflict does, or may, exist. The Trustee shall update the Form during the year as circumstances dictate. Forms will be filed with the Trustee Coordinator, and maintained by the Assistant Secretary of the Board, with a copy to the General Counsel.
Disclosure Obligation

In advance of any meeting at which a conflict may foreseeably arise, the Trustee must disclose the conflict and all relevant material facts to the Committee (or Board) Chair. If the Trustee with such conflict is the Committee or Board Chair, the conflict shall be disclosed to the Vice Chair, who shall instead preside for the agenda item as to which the matter arises.

Relevant material facts may include the benefits that could inure to the Trustee; the extent to which, if any, the Trustee is participating in a competitive process to enter into a transaction or business affiliation with the University; whether the Trustee is privy, in his or her capacity as a Trustee, to proprietary or other non-public University information that could be advantageous to the Trustee in relation to other parties interested in a proposed transaction; and/or if the University would be likely to enter into the proposed transaction or relationship in the absence of the Trustee’s University affiliation.

A Trustee may elect, following such disclosure, to self-recuse from participation in discussion of the matter as to which disclosure is made. Alternatively, if a Trustee submits a disclosed conflict for consideration by a Committee or the Board, when the item arises on the agenda the Chair shall, for the record, identify to the Committee or the Board the conflict and the material facts relating thereto. (If the Trustee with such conflict is the Committee or Board Chair, the conflict shall be identified by the Vice Chair, who shall preside for the agenda item as to which the matter arises.)

The Trustee shall request authorization from the Committee or the Board to participate in any discussion of the agenda item that takes place in open session, and shall be recused from any portion of an Executive Session devoted to the matter as to which a conflict arises. If the Committee or Board by majority vote authorizes the Trustee’s participation in such public discussion, the Trustee shall nonetheless abstain from voting on any such item.

In all instances, the determination as to whether to permit the Trustee to participate in discussion of the agenda item as to which a conflict arises shall be made following full disclosure by the Trustee of the nature of the conflict, and on the basis of whether, in the considered judgment of the Committee or the Board, the University’s interests will be best served by participation of the Trustee notwithstanding the conflict.

Role of the University General Counsel

Prior to each Committee and Board meeting, the General Counsel shall review the agenda in relation to Trustee Disclosure Forms to determine whether a conflict may, or will, arise. If a conflict is identified, the General Counsel shall contact the Trustee and the Committee (or Board) Chair regarding the relevant agenda item. The Trustee and the Chair shall otherwise proceed as described in the first section of this Protocol (“Disclosure Obligation”).
Upon request of the Trustee and/or the Committee or Board Chair, the General Counsel shall provide an opinion as to whether a conflict of interest arises as to such Trustee. All such opinions shall be subject to applicable privileges under law.

**Approval of a Conflict of Interest Transaction**

If a conflict is identified for the first time subsequent to any action by the Board in which a conflicted Trustee participated, such action shall be voidable by the Board in accordance with the Vermont Nonprofit Corporation Act and otherwise applicable procedures relating to Board meetings and action.

Notwithstanding the preceding paragraph, a conflict of interest transaction is not voidable or the basis for imposing liability on the Trustee if the transaction (a) was fair at the time it was entered into or (b) is approved in advance by vote of the Board or a Committee if (i) the material facts of the transaction and the Trustee’s interest are disclosed or known to the Board or Committee; and (ii) Trustees approving the transaction in good faith reasonably believe that the transaction is fair to the University. Any approval must receive an affirmative vote of a majority of the Trustees on the Board, and any Trustee who recuses from participation in discussion of, and/or voting upon, a matter before the Committee or Board shall not be counted toward a quorum.

In cases in which the Board or a Committee considers approval of a conflict of interest transaction, its review of the material facts and its resulting decision shall be documented in the meeting minutes.

**Post-Transaction Challenge Procedure**

Complaints of non-compliance with this Policy shall be filed promptly and in writing with the Chair of the Board, with copies to the Secretary and Assistant Secretary of the Board. Disposition of such complaints shall be handled in the same manner as proposed or approved transactions under this Policy and, as to a non-compliant Trustee, under relevant provisions of the University Charter, Bylaws and Vermont Nonprofit Corporation Act.

**Governing Law**

This Policy incorporates by reference any obligations imposed upon the University, the Board, and/or a Trustee by federal or State law.

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*Adopted by the Board of Trustees:* February 12, 2005  
*Amended by the Board of Trustees:* February 4, 2012
Amended by the Board of Trustees: November 8, 2012
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 University will accordingly recruit and hire into all positions the most qualified persons in light of job-related requirements, and applicants and employees shall be treated in employment matters 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, other protected veteran or Armed Forces service medal veteran, as these terms are defined under applicable law, or any other factor or characteristic protected by law.

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 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, 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 federal, state or local law; opposing any act or practice made unlawful by VEVRAA, requiring equal employment opportunities for individuals with disabilities, disabled veterans, recently separated veterans, other
protected veterans, or Armed Forces service medal veterans; or exercising any rights under VEVRAA or the Rehabilitation Act.

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 such laws, and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under such non discrimination laws. Persons seeking to participate in educational opportunities offered by the University must consult position and program descriptions to determine criteria for eligibility. All such criteria shall be established in a manner consistent with the legal requirements herein referenced.

Contacts

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

Chief Diversity Officer and Special Assistant to the President for Multicultural Initiatives University of Vermont 346 Waterman Building Burlington, VT 05405 (802) 656-8426

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

Related Documents/Policies

Equal Employment Opportunity/
Affirmative Action Policy Statement

Sexual Harassment Policy – Employees
http://www.uvm.edu/~uvmppg/ppg/hr/sexharasemp.pdf
Procedures for Investigating and Resolving Discrimination Complaints

Effective Date

Approved by:

____________________    President ________________

E. Thomas Sullivan     ________________________________

____________________    Chair Board of Trustees ________________

Robert F. Cioffi     ________________________________
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 such laws, and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under such non discrimination laws. Persons seeking to participate in educational opportunities offered by the University must consult position and program descriptions to determine criteria for eligibility. All such criteria shall be established in a manner consistent with the legal requirements herein referenced.
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:

Chief Diversity Officer and
Special Assistant to the President for Multicultural Initiatives
University of Vermont
346 Waterman Building
Burlington, VT 05405
(802) 656-8426

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

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:

____________________                      __________________
E. Thomas Sullivan                          Date

____________________                      __________________
Chair Board of Trustees                     Date

Robert F. Cioffi
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;
- 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; 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 specified 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’s policy of fiscal prudence shall not preclude the consideration of moral, ethical and social criteria in determining companies in which to invest.

The University may take an active role on request in pursuing shareholder resolutions through proxy resolutions and other means in order to further its goal of investing in firms that produce safe and useful products in accordance with moral, ethical and social criteria. Investment managers may be asked to address various company or sector weights within their respective portfolios to help the University meet its social investing goals.

VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objectives of the Fund are to provide a stable and consistent level of ongoing support for the University’s programs through a reasoned spending policy that is also consistent with preserving and hopefully 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 return¹ (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

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.
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.

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. *This simple weighted market benchmark should reflect the broad policy allocation between equities and fixed income of the Fund.*

**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>U.S. Equities</td>
<td>S&amp;P 500, which represents a relatively broad investable universe of U.S. stocks</td>
<td>Portfolios are expected to focus on investments in the U.S. equity market.</td>
</tr>
<tr>
<td>Non-U.S. Equities</td>
<td>MSCI All-Country World Index ex-US (ACWI)</td>
<td>Portfolios are expected to focus on the world’s developed and developing equity markets, excluding the U.S.</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>ML 90-Day Treasury bills + 5% Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index</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>Venture Capital</td>
<td>S&amp;P 500 + 53%</td>
<td>This asset class includes non-publicly traded securities. Market values and</td>
</tr>
</tbody>
</table>

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2 Indices used in Target Benchmark are effective as of November 28, 2012.
### Statement of Investment Policies and Objectives

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Benchmark</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Equity</td>
<td>S&amp;P 500 + 5%</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>Real Estate (private)</td>
<td>CPI-U + 5% 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>CPI-U + 5%</td>
<td>Investments will be in private oil and gas transactions and in timberland, possibly including related logging operations.</td>
</tr>
<tr>
<td>TIPS, Commodities, and Natural Resource Equities</td>
<td>CPI-U + 5% Blended Benchmark of Public Real Asset Manager Specific Benchmarks, one-third each: Barclays US TIPS; DJ UBS Commodities Index; BlackRock Custom Energy Equity Benchmark, Based on Actual Weights</td>
<td>Holdings consist of U.S.-issued TIPS, and diversified commodities futures positions, and energy related equity securities</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>Barclays Capital Aggregate Bond Index</td>
<td>Holdings consist of U.S. Treasury bonds, mortgages, and corporate credit investments.</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>ML 90-day Treasury-Bill 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:
APPENDIX A

ASSET ALLOCATION POLICY TARGETS

*Revised, as of January 2012*

<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>22.5</td>
<td>15-30</td>
</tr>
<tr>
<td>Global ex U.S. Equity</td>
<td>22.5</td>
<td>15-45</td>
</tr>
<tr>
<td>Developed Markets</td>
<td>10.5</td>
<td>10-25</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>12.0</td>
<td>5-20</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>22.0</td>
<td>15-25</td>
</tr>
<tr>
<td>Real Assets (Inflation Hedging)</td>
<td>14.0</td>
<td>10-25</td>
</tr>
<tr>
<td>Private Equity / Venture Capital</td>
<td>11.0</td>
<td>5-20</td>
</tr>
<tr>
<td><strong>Subtotal Equity</strong></td>
<td>92.0</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>8.0</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>8.0</td>
<td></td>
</tr>
</tbody>
</table>

*Appendix A Targets revised by Investment Subcommittee: January 6, 2012*
Resolution Approving Creation of Investment Subcommittee and Appointment of its Initial Members

RESOLVED, that the Board of Trustees hereby establishes an Investment Subcommittee of the Committee on Budget, Finance, and Investment and charges it with the oversight of investment management decisions as set forth in the charge hereinstated between regular meetings of the full Committee and such other duties as may be delegated by the Committee.

BE IT FURTHER RESOLVED, that the initial members of this Subcommittee will be Robert Cioffi, chair; John Snow; Ian Boyce; Susan Hudson-Wilson, and Thomas Little.

Subcommittee Charge

The Subcommittee shall have responsibility for oversight, hiring, and termination of managers and advisors engaged for the investment of the University’s Long-term Investment Pool, and shall report on these actions at regular meetings of the Budget, Finance, and Investment Committee (“the Committee”). The Subcommittee shall also exercise the responsibilities assigned to it with respect to investment of the Wilbur Fund under an Investment Management Agreement in effect between the University of Vermont and State Agricultural College Board and the University of Vermont Board (“UVM Board” (“Investment Management Agreement”) under which Wilbur Fund assets are co-invested with those of the University. In addition, the Subcommittee shall exercise the responsibilities assigned to it under an Investment Management Agreement in effect between the University and The University of Vermont Foundation under which Foundation assets are co-invested with the assets of the University.

The Subcommittee shall also be responsible for making adjustments to individual investment allocations to conform to the University’s asset allocation policy as recommended by the Committee and approved by the Board. The Subcommittee shall also review the asset allocation policy and make recommendations to the Committee for its consideration at least once annually.

For as long as the an Investment Management Agreement remains in effect between the University of Vermont and State Agricultural College Board and the University of
Vermont Board, at least one member of the University of Vermont Board of Trustees ("UVM Board") shall be appointed to this Subcommittee, (also thus also serving as a member of the Budget, Investment, and Finance Committee), who shall among other responsibilities as a member of the Subcommittee act on behalf of, and report to, the UVM Board with respect to the investment of the Wilbur Fund.

The Subcommittee shall, between meetings of the Committee, make decisions relating to investment managers and investments that are necessary in the best interests of the University. Any such decisions shall be reported to the Committee and at its next regular or special meeting.

The Subcommittee shall oversee the work of the University Treasurer with respect to execution of investment decisions and cash management policies in regards to the Limited-Term Investment Pool.

The Subcommittee will exercise its charge in a manner consistent with University governance, including the Board’s reserved rights and delegations of authority.

As approved by the Board of Trustees: November 11, 2006.
As revised by the Board of Trustees: December 1, 2007.
As revised by the Board of Trustees: