

**MEETING OF THE BOARD OF TRUSTEES
OCTOBER 27, 2012**

**UNIVERSITY OF THE VIRGIN ISLANDS
ADMINISTRATION AND CONFERENCE CENTER
FIRST FLOOR CONFERENCE ROOM
ST. THOMAS CAMPUS
9:00 A.M.**

**MINUTES
REGULAR SESSION**

MEMBERS PRESENT

Dr. Aletha Baumann, Faculty Trustee
Ms. Raydiance Clarke, Student Trustee
Mr. Marthious Clavier, Alumni Trustee
Dr. David Hall, President
Mrs. Winona Hendricks
Mr. Alexander A. Moorhead, Chair
Mrs. Jennifer Nugent-Hill
Attorney Henry C. Smock, Vice Chair
Hon. Patricia D. Steele
Mrs. Luz Suarez de Highfield
Mr. Edward Thomas
Dr. Yvonne E. L. Thraen
Mr. Sinclair L. Wilkinson
Rev. Wesley S. Williams, Jr.

MEMBERS ABSENT

Mrs. Carol Fulp (excused)
Dr. La Verne Terry (excused)

OTHERS PRESENT

Dr. Judith Edwin, Vice Provost for Access and Enrollment Services
Mrs. Dionne Jackson, VP for Institutional Advancement
Dr. Frank Mills, Vice Provost for Research and Public Service
Mrs. Peggy Smith, Controller
Dr. Noreen Michael, President's Chief of Staff
Dr. Camille McKayle, Interim Provost
Attorney Marie ThomasGriffith, UVI Legal Counsel

CALL TO ORDER

A quorum being present, the Chair, Mr. Alexander Moorhead, called the Regular Session of the meeting to order at 9:05 a.m.

APPROVAL OF THE MINUTES

A motion by Trustee Edward Thomas, which was seconded by Trustee Henry Smock, was made to approve the Minutes of the June 9, 2012 Meeting of the Board. The vote on the motion was unanimous by the members present.

APPROVAL OF THE CONSENT AGENDA

A motion by Trustee Jennifer Nugent-Hill, which was seconded by Trustee Henry Smock, was made to approve the Consent Agenda of October 27, 2012. The vote on the motion was unanimous by the members present.

PRESIDENT'S REPORT

President Hall highlighted several items in his written report and updated the report based on occurrences since the report was issued. His oral report included the following:

- Student and faculty highlights
- Student achievements
- Achievements of recent graduates
- Faculty achievements
- Update on the Golden Jubilee Year to date
- Opening of New Residence Hall

PRESIDENT'S AWARD

For this reporting cycle, President Hall recognized three areas of the university for the President's Appreciation Award.

- The St. Thomas Campus Physical Plant Manager, Mr. Charles Martin, and the Physical Plant Department for their work in transforming four classrooms in the Classroom Administration Building to modern, cutting-edge learning environments and in upgrading the entryway to the residence halls.
- Director of Capital Projects, Gerard Buggy, and the Capital Projects staff for coordinating the construction of the West Residence Hall on the St. Thomas Campus.
- The Annual Giving and Alumni Affairs Unit (Linda I. Smith, Director) and the entire Institutional Advancement Component for raising the alumni giving rate to 42 percent.

President Hall also reported on the launch of *Pathways to Greatness*, the University's Strategic Plan 2012-2017. He spoke of the official launch that was held on October 22nd, 24th and 25th on St. John, St. Croix and St. Thomas respectively. He also shared with board members the video that was presented at each launch event.

Chairman Moorhead thanked President Hall for his report and opened the floor for questions and comments on the report presented.

Chairman's Comments

Chairman Moorhead noted the absences of Trustees Fulp and Terry were excused. He welcomed back to the Board Faculty-Trustee Aletha Baumann and welcomed the new student trustee, Raydiance Clarke. He thanked Trustee Winona Hendricks, Chair of the Board of Education, for her service during her tenure on the Board. He noted that she had informed him that as a result of the upcoming elections, a new chair of the Board of Education would be selected.

Research and Technology Park Update Report

At the invitation of the Chair, Mr. David Zumwalt, Executive Director of the UVI Research and Technology Park, gave an update on the written report that was distributed to the members of the Board.

Highlights from the update included:

- The RTPark Board re-elected Alex Moorhead as the Chairman and William Delone as the Vice Chair of the Board of Directors
- Adrian Gardner was appointed to the Board of Directors
- Update on the status of the Building project on the Albert A. Sheen Campus
- Public acknowledgement and thanks to Mr. Malcolm Kirwan for his service to the RTPark and its Board of Directors.

Committee Action Items

ACADEMIC, RESEARCH AND STUDENT AFFAIRS.....Dr. Yvonne E. L. Thraen

Bachelor of Science in Psychology

At the invitation of the Chair of the ARSA Committee, Trustee Yvonne Thraen, Provost Camille McKayle presented the proposed Bachelor of Science Degree in Psychology. Provost McKayle reported that the degree was approved by the Curriculum Committee on April 5, 2012 and by

the Faculty Committee on May 10, 2012. The new degree program increases the number of science-related courses that students are required to take but does not require any new courses or additional faculty. The new degree offering is expected to help students better prepare for graduate studies in psychology and related fields. It was noted that the Academic, Research & Student Affairs Committee had voted unanimously to recommend the approval of the Bachelor of Science in Psychology to the full Board.

A motion was made by Trustee Jennifer Nugent-Hill, which was seconded by Trustee Marthious Clavier, to adopt a resolution approving the Bachelor of Science Degree in Psychology. The vote on the motion was unanimous by the members present at the meeting. The Resolution is appended to the Minutes.

DEVELOPMENT COMMITTEE..... Dr. Wesley S. Williams, Jr.

Goal for Fiscal Year 2013

Trustee Wesley Williams reported that the Development Committee was recommending, for consideration by the full Board, a fundraising goal set at \$500,000 above the total funds raised in fiscal year 2012 and the maintenance of the alumni giving percentage (42%) achieved by the end of fiscal year 2012.

The Vice President for Institutional Advancement reported the following updated goals and noted that the accompanying resolution would be revised to reflect the goals below:

Fundraising Goal – \$3.4 million
Alumni Giving Rate – 42%

A motion was made by Trustee Williams, which was seconded by Trustee Aletha Baumann, to adopt a resolution approving the revised Fundraising and Alumni Giving Rate Goals for Fiscal Year 2013. The vote on the motion was unanimous by the members present at the meeting. The resolution is appended to the Minutes.

EXECUTIVE COMMITTEE.....Mr. Alexander A. Moorhead

Ratification of actions taken by the Executive Committee on behalf of the Board of Trustees since the last meeting of the Board of Trustees, which was on June 9, 2012.

A resolution was presented to ratify the following actions taken by the Executive Committee of the Board since the last meeting of the UVI Board of Trustees:

- The Committee approved an amendment to the Board Goals for 2012-2013. One goal was added to align with some of the President's Goals and another was added to implement the recently approved board assessment tool.

A motion was made by Trustee Smock, which was seconded by Trustee Williams, to adopt a resolution ratifying the actions taken by the Executive Committee of the Board of Trustees. The vote on the motion was unanimous by the members present at the meeting. The resolution is appended to the Minutes.

Resolution to Commend UVI President David Hall for His Job Performance

A resolution was presented to commend UVI President David Hall for his Job performance in the periods of August 1, 2010 through July 31, 2011 and August 1, 2011 through July 31, 2012.

A motion was made by Trustee Nugent-Hill, which was seconded by Trustee Williams, to adopt a resolution commending President David Hall for his job performance in the periods of August 1, 2010 through July 31, 2011 and August 1, 2012 through July 31, 2012. The vote on the motion was unanimous by the members present at the meeting. The resolution is appended to the Minutes.

Recommendation to the Board of Trustees to grant President Emerita Status to Dr. LaVerne E. Ragster

The Executive Committee recommended to the Board of Trustees that it grant the status of President Emerita to Dr. LaVerne E. Ragster, who served as UVI President 2002-2009.

A motion was made by Trustee Williams, which was seconded by Trustee Hendricks, to adopt a resolution granting President Emerita Status to Dr. LaVerne E. Ragster. An amendment was offered and approved which stated under the now therefore be it resolved paragraph, after the words, its fourth President, the following should be added – *and first female president*. The vote on the motion was unanimous by the members present at the meeting. The resolution is appended to the Minutes.

FINANCE AND BUDGET COMMITTEE.....Mr. Edward E. Thomas

Accounts Receivable Write-Off Policy

Finance and Budget Committee Chairman, Edward Thomas reported that the Administration presented a draft Accounts Receivable Write-Off Policy to the Finance and Budget Committee. The Committee reviewed and approved the policy and it was now being forwarded for review and approval by the Board of Trustees. President Hall provided a brief overview of the matter.

A motion was made by Trustee Thomas, which was seconded by Trustee Smock, to adopt a resolution approving an Accounts Receivable Write-Off Policy. The vote on the motion was unanimous by the members present at the meeting. The resolution is appended to the Minutes.

Transfer of Endowed Scholarships

The Finance and Budget Chair reported that the Administration presented a listing of term endowed scholarships for transfer to the Foundation for the University of the Virgin Islands (FUVI) to the Finance and Budget Committee. The Committee reviewed and approved the matter and it was now being forwarded for review and approval by the Board of Trustees.

A motion was made by Trustee Thomas, which was seconded by Trustee Steele, to adopt a resolution approving the transfer of several term endowed scholarships to the Foundation for the University of the Virgin Islands. The vote on the motion was unanimous by the members present at the meeting. The resolution is appended to the Minutes.

Investment Policy

Trustee Thomas, Finance and Budget Committee Chair reported that the Administration presented for approval by the Board of Trustees a draft Investment Policy to ensure the prudent investment of its quasi-endowment funds. He noted that the University was committed to investing and managing its quasi-endowment funds in accordance with high standards of fiduciary duty and ensuring the maximum possible return consistent with reasonable standards of responsible financial management and investment.

A motion was made by Trustee Thomas, which was seconded by Trustee Steele, to adopt a resolution approving the Investment Policy. The vote on the motion was unanimous by the members present at the meeting. The resolution is appended to the minutes.

Tuition Increase Fall 2013

At the invitation of the Chair of the Finance and Budget Committee, President Hall provided a brief overview of the rationale behind the tuition increase. He reported that the increase would add approximately \$100 per semester to a full-time student's tuition costs. He noted that it was expected to generate \$500,000 for the University. He further noted that, due to the decreased levels of government appropriations, increased costs of operations and implementation of goals of ***Pathways to Greatness***, Strategic Plan 2012-2017, there was a need for the proposed tuition increase. He added that institutions could not survive without regular tuition increases. He also stated that student forums were held on both campuses and students did not reject the proposed increase that was presented to them. He concluded by stating that the increase was fair and reasonable.

After his overview, a motion was made by Trustee Thomas, which was seconded by Trustee Steele, to adopt a resolution approving the tuition rate increase by 5% effective Fall Semester 2013. The vote on the motion was unanimous by the members present at the meeting. The resolution is appended to the Minutes.

Nevis Island Administration MOU

At the invitation of the Chair of the Finance and Budget Committee, President Hall provided a brief overview on the matter of the Memorandum of Understanding between UVI and the Nevis Island Administration. He stated that the Administration was seeking approval by the Board of Trustees of a proposal to charge tuition rate of 1.75 times the rate established for residents of the U.S. Virgin Islands for enrollment in undergraduate or graduate programs to students from Nevis who enroll at UVI under the terms of the Memorandum of Understanding between the University of the Virgin Islands and the Nevis Island Administration. He noted that this one of the Administration's strategies to be more aggressive with respect to recruitment and enrollment.

A motion was made by Trustee Thomas, which was seconded by Trustee Hendricks, to adopt a resolution approving the Memorandum of Understanding between UVI and the Nevis Island Administration. The vote on the motion was unanimous by the members present at the meeting. The resolution is appended to the Minutes.

PLANNING COMMITTEE.....Mr. Sinclair L. Wilkinson

Key Performance Indicators: Academic Year in Review

A report of the Key Performance Indicators for the beginning of the academic year was presented. Highlights of the presentation included updates on enrollment, retention, a review of retention by year, undergraduate/freshman profile and an update on Development. It was noted that while enrollment was down slightly, retention (particularly retention of male students) was up. Also noted was the higher percentage of incoming males, which was a testament to the Man Up conference and the university's continued efforts towards engaging male students.

After the presentation of the KPIs, a motion was made by Trustee Hendricks, which was seconded by Trustee Smock, to recess the meeting for lunch. The vote was unanimous by the members present at the meeting. The meeting recessed at 12:30pm.

Upon return to the meeting, at 1:20 pm, a motion was made by Trustee Williams, which was seconded by Trustee Nugent-Hill, to go into Executive Session to address the following matters:

- Draft Minutes of the Executive Session of the meeting of the Board on June 9, 2012;
- Candidates for honorary degrees
- List of potential commencement speakers
- Matter regarding cultivation of a donor;
- A resolution to ratify the actions taken by the Executive Committee in Executive Session since the last meeting of the Board of Trustees;
- A report from the President on personnel issues;
- Update on legal matters;
- Proposal for containing legal costs.

RETURN TO REGULAR SESSION

Upon return to the Regular Session of the meeting at 2:55 p.m., the Chairman reported the following took place during the Executive Session: the Board

- Approved the minutes of the Executive Session of the meeting held on June 9, 2012;
- Approved candidates for honorary degrees;
- Approved list of potential commencement speakers;
- Approved a resolution ratifying the action taken by the Executive Committee of the Board in Executive Session since the last meeting of the Board of Trustees regarding a donation agreement for land on St. John; Presidential Goals 2012-2013 and the Presidential Self-Appraisal.
- Gave guidance to President Hall regarding proposal to decrease legal costs.

ADJOURNMENT

There being no other business, a motion was made by Trustee Nugent-Hill, which was seconded by Trustee Clavier, to adjourn the meeting. The motion was approved unanimously. The meeting was adjourned at 3:00 p.m.

Resolutions appear below:

**RESOLUTION OF THE BOARD OF TRUSTEES
UNIVERSITY OF THE VIRGIN ISLANDS**

Purpose: To approve a Bachelor of Science program in Psychology.

WHEREAS, the University of the Virgin Islands is committed to supporting the intellectual and professional development of the workforce in the Virgin Islands as part of the University's mission; and

WHEREAS, the establishment of a Bachelor of Science program in Psychology would be in concert with the objectives of *Strategic Plan 2017: Pathways to Greatness*; and

WHEREAS, the establishment of the Bachelor of Science in Psychology would provide educational training for undergraduate students that are preparing for graduate and postgraduate studies in psychology and related fields; and

WHEREAS, on April 5, 2012, the Curriculum Committee approved the establishment of the Bachelor of Science program in Psychology at the University; and

WHEREAS, on May 10, 2012 the faculty of the University approved the Bachelor of Science program in Psychology; and

WHEREAS, on September 18, 2012 the Academic Research and Student Affairs Committee of the Board of Trustees voted to recommend to the Board of Trustees the establishment of the Bachelor of Science program in Psychology .

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY THAT:

1. The establishment of the Bachelor of Science program in Psychology is hereby approved.
2. The President is authorized to take such action as is necessary to implement this resolution.
3. This resolution shall become effective October 27, 2012.

CERTIFICATION

The undersigned hereby certifies that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands and adopted at its meeting on Saturday, October 27, 2012, as recorded in the minutes of the said meeting.

Secretary of the Board

Date

**Resolution of the Board of Trustees of the University of the Virgin Islands
Approving the Fundraising and Alumni Giving Rate Goals for Fiscal Year 2013**

WHEREAS, the University of the Virgin Islands has exceeded the fundraising and alumni giving rate goals of \$2.5M and 16% for fiscal year 2012, and

WHEREAS, the Development Committee of the UVI Board of Trustees has prioritized efforts to increase the University's capacity in securing external, private funding to assist in the ongoing programmatic growth of the Institution, and

WHEREAS, the Development Committee has voted to recommend to the Board of Trustees to increase the fundraising goal to \$500,000 above the total funds raised in fiscal year 2012 and to maintain the alumni giving percentage rate achieved at the conclusion of fiscal year 2012.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY:

That the Board of Trustees of the University of the Virgin Islands hereby authorizes and approves the establishment of the fundraising and alumni giving goals for fiscal year 2012 to the follow amounts:

Fundraising Goal – \$3.4 million
Alumni Giving Rate – 42%

CERTIFICATION

The undersigned does hereby certify that the foregoing is a true and exact copy of a resolution approved by the Board of Trustees of the University of the Virgin Islands at a meeting on October 27, 2012 as recorded in the minutes of that meeting.

Secretary of the Board

Date

**UNIVERSITY OF THE VIRGIN ISLANDS
RESOLUTION OF THE BOARD OF TRUSTEES**

To ratify the actions taken in Regular Session by the Executive Committee of the Board of Trustees (“the Board”) of the University of the Virgin Islands for the Board

WHEREAS, Article VI, Section 1 (a) of the Bylaws of the University of the Virgin Islands states in part, “The Executive Committee may act for the Board between Board meetings, in the event of emergencies requiring Board action;” and

WHEREAS, that section of the Bylaws further states, “The Executive Committee shall report to the Board at its next meeting on all actions taken by it, and the Board shall ratify or revoke such actions,” and

WHEREAS, the last meeting of the Board was on June 9, 2012; and

WHEREAS, during the Regular Session of a meeting on October 1, 2012, the Executive Committee (“the Committee”) acted for the Board by amending the Tentative Goals for 2012-2013 adopted on June 9, 2012 to read as follows, adding thereto goals numbers 4 and 5:

**UVI Board of Trustees
Goals for FY 2012-2013**

1. Create a mechanism for presentations to the Board by Internal stakeholders at the University (e.g., students, faculty, and staff) to increase trustees' knowledge of the institution, its programs, research, and community service.
2. Revisit the Board's practices in assessing the President's performance.
3. Make preparations to conduct a comprehensive assessment of the President in the academic year 2012-2013, including identifying persons qualified and available to coordinate such an assessment.
4. Promptly review a new set of peer and aspirational peer institutions and a Purchase Power Agreement for a 4 to 4.5 Mega Watt Photovoltaic project upon their submission by the President.
5. Commence implementation of the new Board Assessment Tool

Guidance for All Trustees

Any Trustee who is presented, by a person inside or outside the university, with any University-related matter for investigation or other action is advised to bring the matter to the attention of the President of the University for proper response.

Any member of a committee of the Board who wants a document or information deemed important to perform his/her duty as a member of that committee is advised to communicate a request for that document/information to the chair of the committee. The Chair should request the information from the committee liaison and copy the President.

NOW THEREFORE BE IT RESOLVED BY THE BOARD,

The action taken by the Executive Committee of the Board during the Regular Session of its meeting on October 1, 2012, which is detailed above, is hereby ratified.

CERTIFICATION

The undersigned hereby certifies that the foregoing is a true and exact copy of a resolution approved by the Board of Trustees of the University of the Virgin Islands at a meeting on Saturday, October 27, 2012, as recorded in the minutes of that meeting.

Secretary of the Board

Date

Resolution of the Board of Trustees

To Commend UVI President David Hall for His Job Performance in the Periods of August 1, 2010 through July 31, 2011 and August 1, 2011 through July 31, 2012

Whereas, pursuant to a provision in the five-year contract between the University of the Virgin Islands (hereinafter "the University") and Dr. David Hall, dated March 13, 2009, through which he is employed as the President of the University, Dr. Hall is evaluated by the Board of Trustees in September of each year based on his performance of his presidential duties during the previous academic year and on whether he achieved agreed upon goals and objectives; and

Whereas, in the judgment of the Board of Trustees, President Hall's job performance in the rating periods of August 1, 2010 through July 31, 2011 and August 1, 2011 through July 31, 2012, including achievement of his objectives and goals for those periods, was commendable, as it was in the previous rating period; and

Whereas, pursuant to his employment contract, except for the fact that there was a decline in the economic environment of the Virgin Islands and the financial condition of the University was adversely impacted by the reduction of its appropriation from the General Fund of the Government of the Virgin Islands for fiscal years 2011 and 2012, and of allotments of such appropriations, President Hall would have been granted a bonus due to his commendable job performance and achievements in each of those rating periods; and

Whereas, the V.I. Economic Stability Act of 2011 (i.e., Act 7621), enacted on July 12, 2011, established measures, to reduce the expenses of the Government of the Virgin Islands in order to eliminate a projected deficit; and

Whereas, those measures included an 8% reduction of the salaries of employees in the executive and legislative branches of the Government and of employees of certain autonomous and semi-autonomous agencies and instrumentalities, including the University; and

Whereas, the Board of Trustees was advised by its legal counsel, that because its contract with President Hall specifies a fixed annual salary and is not subject to the receipt or availability of governmental appropriations, the President's salary could not be unilaterally reduced by 8% as mandated for all employees of the University by Section 4 of Act 7261; and

Whereas, President Hall, on his own initiative, voluntarily waived his constitutional protection from the unilateral reduction of his salary pursuant to Section 4 of Act 7261 and chose to accept an 8% reduction of his salary along with all other employees of the University effective in July of 2011;

Now therefore, be it resolved by the Board of Trustees of the University:

1. President Hall is hereby formally commended for voluntarily choosing to accept an 8% reduction of his salary effective in July of 2011 in solidarity with the other employees of the University. His action in this regard is deeply appreciated.
2. President Hall is hereby further commended for his job performance and achievements in the rating periods of August 1, 2010 through July 31, 2011 and August 1, 2011 through July 31, 2012 despite challenges in funding and personnel experienced by the University.

CERTIFICATION

The undersigned hereby certifies that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands adopted at a meeting on October 27, 2012, as recorded in the minutes of said meeting.

Alexander A. Moorhead, Chairman of the Board

Date

BOARD OF TRUSTEES
UNIVERSITY OF THE VIRGIN ISLANDS

Resolution approving an Accounts Receivable Write-off Policy for the University of the Virgin Islands

WHEREAS, the University of the Virgin Islands (UVI) has a fiduciary responsibility to fulfill its overall mission ethically and in compliance with applicable policies, laws, regulations, rules, contracts and grant requirements, and donor restrictions; and

WHEREAS, it is the policy of the UVI to achieve best practices in its standards of financial integrity and sound financial controls based on a set of broad and consistent financial policies which govern decisions, actions and implementations throughout the University's organizational structure; and

WHEREAS, one of the Presidential Goals for 2011-2012 was to identify, revise and submit, for approval, appropriate policies to replace outdated financial policies, and create new ones in areas where none exists; and

WHEREAS, on September 18, 2012, the President's Cabinet voted to recommend to the Board of Trustees, via the Finance and Budget Committee, an Accounts Receivable Write-off Policy; and

WHEREAS, on September 28, 2012, the Finance and Budget Committee voted to recommend, to the Board of Trustees, the approval of the Accounts Receivable Write-off Policy effective November 1, 2012.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES:

- A. The Accounts Receivable Write-off Policy, attached hereto as Exhibit A, is hereby approved, effective November 1, 2012.
- B. The President and Vice-President for Administration and Finance are authorized to take such actions as are necessary and proper to implement this resolution.

CERTIFICATION

The undersigned hereby certifies that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands adopted at a meeting on October 27, 2012, as recorded in the minutes of said meeting.

Secretary of the Board

Date

SECTION V: ACCOUNTING ADMINISTRATION

1.0 ACCOUNTS RECEIVABLE WRITE-OFF

1.1 PURPOSE

This policy provides guidance for collection of general accounts receivable (bills owed to the University) and the write-off of uncollectible accounts receivable in accordance with Generally Accepted Accounting Principles (GAAP). The implementation of the procedures will support internal controls needed to ensure proper use of University assets.

1.2 POLICY STATEMENT

It is the policy of the University to collect payment of bills as expeditiously as possible.

1. Any amount of money owed the University is due and payable when services are rendered.
2. Accounts that are delinquent sixty (60) days or more should be considered in arrears.
3. An account shall be written off as a bad debt when collection efforts have been exhausted or when the account is determined to be otherwise uncollectible.
4. Adequate information concerning the age of outstanding bills and claims is essential for proper control of accounts receivable.

These provisions will enable the University to reflect a more accurate accounts receivable value.

1.3 SCOPE AND APPLICABILITY

This policy establishes the guidelines for how accounts in arrears will be written off, and the individual(s) who can authorize and record the write off. The policy applies to all bills issued by the University.

1.4 RESPONSIBILITY

The University maintains an operating environment in which the billing for goods and services rendered by the University takes place within several departments. Department heads are responsible for maintaining adequate documentation for billings and collection efforts and a control balance for recording customer payments. All employees involved in the billing and collection processes take full responsibility for understanding the University's policies and procedures regarding billing and collection.

The Vice President for Administration and Finance/CFO is responsible for ensuring the appropriate method of bad debt recognition, that includes establishing an Allowance for Doubtful Accounts, is utilized and the write-off of accounts receivable is consistent with this policy.

1.5 POLICY IMPLEMENTATION

1. Accounts receivable represent debts owed to the University for goods or services that the university has sold or provided to its customers. These debts are short term and are normally expected to be paid to the University in 30 days with no interest charge. Departments that have outstanding accounts receivable must keep adequate documentation, which includes individual account balances and a control balance for recording customer payments as well as credit sales. If departments believe they have accounts receivable and have never formally recorded these accounts on the University's records, they should contact the Controller's Office for instructions. All departments with accounts receivable should register their accounts receivable activity with the University Controller. Any new receivable operations should also register with the University Controller.

Internal Control

2. To promote the accuracy of the university's accounts receivable records and to discourage fraudulent manipulation of the accounting records, departments should incorporate the following internal control measures for accounts receivable:
 - An aging of all accounts and a review of past due accounts should be performed periodically.
 - An employee other than the employee who receives payments should handle items disputed by customers.
 - A reconciliation of individual account balances to the control balance should be performed periodically.
 - Invoices should be pre-numbered and all numbers accounted for periodically.
 - An employee who does not handle cash receipts should approve payment of credit balances and credit adjustments to the account balance.
 - A diligent effort should be made to collect all outstanding accounts (see **3** below).
 - Regular billings should be made to all customers on account.
 - Where possible, the duties of the accounts receivable specialist and the employee who receives payment should be separated.
 - Accounts receivable write-offs should be approved by an employee who does not handle cash receipts.
 - Routine collection procedures should be documented in writing.

Billing and Collection Efforts

3. Departments must ensure that due diligence in collection efforts has been exercised. Due diligence is satisfied when:
 - Statements or invoices are mailed monthly.
 - Special reminders or collection letters are mailed for all past due accounts.
 - Services are discontinued for delinquent customers, and holds are placed on the release of student grades and records and on the registration for course work.
 - Exceptions to this policy may be granted by the Vice President for Administration and Finance/CFO (VP, A&F/CFO) or his/her designee when students provide proof of the ability to settle the debt in a timely manner or of the special circumstances that warrant the exception.
 - Accounts past due for more than six months and totaling up to \$5,000 are referred to an external collection agency. Justification for not using a collection agency must appear on the write-off request (see **15** below).

Delinquent amounts totaling \$5,000 or more are sent to the VP, A&F/CFO Office for review and determination of whether the University should pursue a legal action to recover the debt, before the account is turned over to an external collection agency.

Allowance for Doubtful Accounts

4. Because some accounts receivable may prove to be uncollectible, the University Controller is responsible for determining an appropriate amount as an allowance for those accounts considered to be uncollectible each June 30th. The Controller should establish an allowance for doubtful accounts to reflect the **estimated** uncollectible accounts. This allowance will be used to reduce the total amount of accounts receivable on university financial statements.

The following method will be used for estimating the amount of uncollectible accounts receivable to be recorded as an allowance for doubtful accounts.

Aging of Accounts Receivable. When using an aging of accounts receivable, individual customer account balances are categorized according to the length of time they have been outstanding (see **5** below). The department estimates the relative uncollectibility for each category based on past experience. The estimated uncollectible amounts in each category are totaled to determine the total allowance.

The University Controller is responsible for preparing the accounts receivable journal entry and will record the allowance for doubtful accounts at the end of each fiscal year.

Year-End Reporting

5. The University Controller should instruct all deans, directors and department heads how to report year end accounts receivable balances. Upon notification, departments must send a list of accounts receivable as of June 30th to the Controller to prepare the year-end journal entry. An aging of accounts receivable must accompany this list. An aging is performed by categorizing individual customer account balances according to their age. The aged accounts should be categorized as follows:

0-365 days
366-730 days
731-1,095 days
1,096+ days

Returned Checks

The following general policies apply to returned checks.

6. Previously deposited checks that are being returned from the bank as uncollectible are automatically debited to the University's bank account. The checks are returned to the Accounting office, which will charge an appropriate accounts receivable returned checks fund.
7. A detailed record of returned checks must be maintained at all times. If returned checks are assigned to other offices for collection, the responsible office must obtain and keep a receipt to document transfer of the checks and responsibility for collection.
8. When collections are received for returned checks, an official receipt must be written if the check is redeemed in person. Such funds should then be deposited to the university's general bank account and credited to the accounts receivable returned checks account that was initially charged when the bank returned the checks.
9. A separate receipt book for returned checks is recommended for use in areas that have a high volume of returned checks.

10. When collection is made for returned checks, a service charge of a minimum of \$20.00 (the actual amount to be set by the VP, A&F/CFO) should be assessed and included in the receipt. In the case of returned checks for donor gifts, the VP, Institutional Advancement may waive the fee.
11. Any service charges collected should be credited to the appropriate income fund when deposited.
12. On a monthly basis, the responsible office must reconcile the returned checks on hand to the amount shown on the University's official records. If a returned check is determined to be uncollectible, the procedures in **15** below must be followed to write off the amount from the University's accounting records.

Uncollectible Accounts

13. When accounts prove to be uncollectible based on collection efforts described in **3** above, department heads are responsible for authorizing that these accounts be written off the University's accounting records. Detailed write-off procedures are listed below. Student loans have additional procedures for writing off accounts receivable, which appear in **21-22** below.

Note: Departments should refer to campus/unit procedures for instructions on handling the fines, fees, and debts of a student who dies during a term of enrolment. Accounts of students who are currently enrolled should not be written off, except as identified in item **17**.

Write-Off Procedures

14. Departments should follow the procedures below when writing off accounts receivable.
 - The department head may authorize uncollectible accounts to be written off after ensuring that 1) due diligence was exercised in attempting to collect the accounts and 2) the write-offs are supported by documentation of collection activity (copies of invoices and collection letters, notes from telephone contacts, returned mail, collection agency correspondence, etc.)
 - The department head completes an **ACCOUNTS RECEIVABLE WRITE-OFF REQUEST (ARWR) form** and sends it with an itemized list of uncollectible accounts to the University Controller. The request must include a justification for write-off (see **15** below). For details on writing off uncollectible returned checks, see **20** below.
 - Requests for write-offs may be submitted at any time during the year. All write-offs for the fiscal year ending September 30th should be submitted to the Controller's Office no later than June 30th.
 - The department head (or designee) will review and sign the **ARWR form**, forward it to the Controller's Office, and return a copy to the department for departmental files.
 - The Controller's Office (or designee) will prepare and record the journal entry to write off the accounts from the University's official records.
 - The Controller's Office will prepare an annual summary of all write offs per department or individual to be sent to the Vice President for Administration and Finance/CFO for approval to write off.
 - The University's contracted external auditor will use this summary to perform a periodic audit of accounts receivable write-offs.

Justification for Write-Off

15. The reasons for writing off account balances must be indicated on the **ARWR form**. Accounts that meet one or more of the following criteria may be submitted for write-off:
- Accounts returned by a collection agency as uncollectible.
 - Bankruptcy of the debtor has been legally declared (see **21-22** below for instructions on student loans).
 - Credit balances under \$50.00 and inactive for one year. These will be written off to unclaimed property.
 - Accounts over two years old that have been billed regularly.
 - Accounts under \$50.00 and over six months old and either (1) returned for incorrect address or (2) billed at least three times. Generally, the third billing should include a special collection notice.
 - Accounts owed by companies no longer in business.
 - Judgments over six months old.
 - Account balances less than \$2.00 (debit) of any age, regardless of whether from a student who is currently enrolled.
 - Other reasons to be considered on a case-by-case basis.

Student Debts

16. **Former Students.** If the debtor is a former student of the University, a hold on the release of transcripts and on future registration privileges must remain in effect until the obligation is paid. Whenever collections are made for amounts previously written off, an official university receipt should be prepared and the amount collected credited to the appropriate income accounts. Any holds or encumbrances against the individual should be released.
17. **Current Students.** Certain debts may be cancelled or written off when a student dies during a term of enrolment. Departments should consult campus/unit procedures for instructions.
18. **Current Employees.** An employee shall not have a delinquent student receivable balance. Each semester's tuition charges are paid for by the University through the tuition waiver allowance; this allowance covers tuition costs but does not cover miscellaneous fees. An employee who has an outstanding balance must sign an employee deduction form allowing the University to collect payment from the employee through payroll deduction beginning with the first instance in which the employee has an outstanding balance. Employees' balances are not sent to a collection agency for collections. If an employee separates from the University and the outstanding balance is not paid in full, the University has the right to deduct the outstanding amount from the employee's final pay check. In cases where the outstanding balance is more than the final pay check, the University will treat the employee as any other debtor, as contained in University policy (Accounts Receivable Write-Off policy).

Bankruptcy of Debtors

19. The following conditions apply when a debtor files for bankruptcy:
- a. When a department receives notification from the bankruptcy court that a debtor has filed for bankruptcy, the department should immediately cease all collection efforts.
 - b. If the bankruptcy notice states that claims may be filed, the department may do so. Careful attention should be paid to deadlines for filing.

- c. Student loans or other debts representing an obligation to repay amounts received or credited for educational purposes are not dischargeable in bankruptcy unless the court finds that exception from discharge will impose an undue hardship on the debtor. However, for bankruptcies filed prior to October 7, 1998, such debts are dischargeable without a finding of undue hardship if seven years have passed since the debt first became due and the date of filing for bankruptcy.
- d. If a discharge notice is received from the bankruptcy court, the debtor is no longer liable and the debt should be cleared from the debtor's record. However, for non-dischargeable debts as described in c. above, collection efforts may resume after the debtor's discharge in bankruptcy.
- e. Collection efforts may also resume if the case is dismissed.

Any questions about the above conditions should be directed to the Vice President for Administration and Finance.

Write-Off of Uncollectible Returned Checks

20. When a returned check proves to be uncollectible, the department should follow the write-off procedures in **15** above. The original returned check should be stapled to the completed **ARWR form**. If the uncollectible returned check was tendered by a current or former student, a hold must remain on the student's transcript until the obligation is paid.

Whenever collections are made for returned checks that have been written off, an official university receipt should be given to the payer in lieu of the returned check. Any holds or encumbrances against the individual should be released.

Write-Off of University Student Loans

21. The procedures for writing off uncollectible university student loans (principal and interest) are the same as for other university receivables. Refer to **15** above for detailed write-off procedures.

Assignment and Write-Off of Government-Sponsored Student Loans

22. The procedures for assignment of government-sponsored student loans appear in the federal and state publications that outline the loan program regulations. Generally, the procedures require that assignment forms be completed for each note considered to be uncollectible. The completed forms are forwarded to the University Controller for approval and transmittal to the sponsoring government department or agency.

In special circumstances, student loans can be cancelled, which is in effect a write-off. Current regulations for Perkins Loans provide that notes with small balances (as defined in the regulations) proven to be uncollectible can be cancelled without government approval or assignment procedures. Similarly, loans may be cancelled if the debtor has been legally declared bankrupt. If the statutory period has passed and the loan has been discharged, a copy of the court discharge is the only documentation needed for note cancellation. In these circumstances, once government regulations have been followed, no additional university approvals are necessary before write-off (note cancellation) of the receivables.

Write-Off of Uncollectible Donor Returned Checks for Gifts

23. Returned checks resulting from checks deposited for gifts are addressed in the **Returned Checks** section above. After collection procedures have been followed, the unit's chief collection officer will recommend for write-off the returned checks that have proven to be uncollectible. These accounts will be reviewed by the Vice President for Institutional Advancement. The checks and the write-off form should be submitted to the University Controller for write-off. Written approval for the write-off must be maintained on file for audit verification. Accounts approved for write-off will be charged against the fund credited on the original deposit and the gift will be removed from the gift records.

ACKNOWLEDGEMENTS AND CREDITS

This proposed financial policy document draws on financial policies and guidelines developed by various colleges and universities to the extent that research identified those policies as “best practice policy models” from which other colleges and universities in the higher education community have benefited. In a few cases, some elements of a proposed policy might mirror the financial policy guidance offered by a particular institution because that policy has been adopted by other institutions as a model policy.

The institutions from which policy guidance was been drawn in the drafting of this document include the following:

- University of Tennessee System
- University System of Maryland
- Indiana University
- University of California-Davis
- Appalachian State University

**BOARD OF TRUSTEES
UNIVERSITY OF THE VIRGIN ISLANDS**

Resolution approving the transfer of several term endowed scholarships
to the Foundation for the University of the Virgin Islands

WHEREAS, over a period of many years, individuals and organizations donated funds to the University of the Virgin Islands (UVI) for “term endowed scholarships” to provide financial assistance to students at UVI; and

WHEREAS, the term endowed scholarships earned interest over many years without withdrawals of any portion of the interest earned; and

WHEREAS, the interest earned on these funds can also be used for scholarships to assist students; and

WHEREAS, UVI is desirous of consolidating these scholarships into one pool in order to maximize the earning of interest; and

WHEREAS, the Foundation of the University of the Virgin Islands (FUVI) is the primary manager of the UVI’s endowed funds; and

WHEREAS, on September 28, 2012, the Finance and Budget Committee of the UVI Board of Trustees voted to recommend to the Board of Trustees that the term endowed scholarships with an aggregate corpus and interest earned of \$258,542.89 and \$179,839.22 respectively as of July 31, 2012”, be transferred from the UVI to FUVI as full endowed scholarships.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES:

- A. The several term endowed scholarships, with an aggregate corpus and interest earned of \$258,542.89 and \$179,839.22 respectively as of July 31, 2012, a listing of which scholarships is incorporated into this resolution as “Exhibit A”, are hereby authorized to be transferred from the UVI to FUVI, effective November 1, 2012. These funds are to be invested and managed by FUVI in accordance with FUVI’s investment policy.
- B. The corpus of the term endowed scholarships shall be reclassified as full endowed scholarships upon their transfer to FUVI. The current and future income earned on these funds shall be provided on a periodic basis to UVI for use in awarding scholarships to its students in accordance with any restrictions that were expressed by the respective donors, which are known to UVI.
- C. The President and Vice-President for Administration and Finance are authorized to take such actions as are necessary and proper to implement this resolution.

CERTIFICATION

The undersigned hereby certifies that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands adopted at a meeting on October 27, 2012 as recorded in the minutes of said meeting.

Minutes recorded by Gail T. Steele, Board Liaison
Approved by the Board of Trustees – March 9, 2013

Secretary of the Board

Date

Transfer of Endowed Scholarships from UVI to FUVI Resolution

Exhibit A.

Fund Name	31st July, 2012	31st July, 2012
	Corpus	Interest
J & J Alexander Scholarship	\$25,000.00	\$21,705.50
F.C. McFarlane Scholarship	\$ 1,000.00	\$ 220.47
West Indian Company Scholarship	\$ 30,000.00	\$ 10,036.00
Addelita Cancryn Scholarship	\$ 75,000.00	\$ 25,131.87
American Yacht Charter Scholarship	\$ 10,000.00	\$ 3,192.34
Bruce D. Henderson Scholarship	\$ 2,524.73	\$27,450.04
International Scholarship Fund	\$ 72,900.00	\$38,867.14
Teacher Education Fund Principal	\$ 18,067.52	\$26,754.21
Ralph M. Paiewonsky Principal	\$ 7,995.00	\$2,770.46
UNCF FUNDS Income	\$ 6,383.24	\$21,348.78
International Endowment Income Fund	\$9,672.40	\$2,362.41
Total - Term Endowment	\$258,542.89	\$179,839.22
Combined Total		\$438,382.11

BOARD OF TRUSTEES
UNIVERSITY OF THE VIRGIN ISLANDS
Investment Policy Resolution

Resolution approving the investment policy of the University of the Virgin Islands

WHEREAS, the University of the Virgin Islands (UVI) has a fiduciary responsibility to fulfill its overall mission ethically and in compliance with applicable policies, laws, regulations, rules, contracts and grant requirements, and donor restrictions; and

WHEREAS, the UVI has deemed it necessary to establish a formal investment policy to ensure the prudent investment of its quasi-endowment funds; and

WHEREAS, the UVI is committed to investing and managing its quasi-endowment funds in accordance with high standards of fiduciary duty and ensuring the maximum possible return consistent with reasonable standards of responsible financial management and investment; and

WHEREAS, on October 15, 2012, the Finance and Budget Committee of the Board of Trustees voted to recommend to the Board of Trustees the approval of an investment policy incorporated into this resolution as “Exhibit A”, effective November 1, 2012.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- A. That, the investment policy, incorporated into this resolution as “Exhibit A”, effective November 1, 2012, is hereby approved.
- C. That the President and Vice-President for Administration and Finance are authorized to take such actions as are necessary and proper to implement this resolution.

CERTIFICATION

The Undersigned does hereby certify that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands adopted at a meeting on October 27, 2012 as recorded in the minutes of said meeting.

Secretary of the Board

Date

SECTION VI: INVESTMENT POLICY

1.1 PURPOSE

The purpose of this document is to set forth the policies and procedures that shall guide the Finance and Budget Committee (the “Finance and Budget Committee” or the “Committee”) of the Board of Trustees (the “Board of Trustees” or the “Board”) of the University of the Virgin Islands (“University”) in investing, managing, using and otherwise administering UVI’s quasi-endowment funds (the “Fund”).

1.2 POLICY STATEMENT

It shall be a primary objective of the Statement to foster an effective working relationship between the University and its external managers, and to provide the University with a policy means to effectively evaluate the performance of the investment managers and oversee the management of the Fund in a prudent manner.

1. The investments of the Fund shall be diversified in accordance with Section 1. 6 (B) below, unless the full Board or, if so designated or authorized by the Board, the Finance and Budget Committee of the Board (the “Finance and Budget Committee” or the “Committee”), after appropriate deliberation, reasonably determine that because of special circumstances the purposes of the Fund are better served without diversification.
2. The Fund shall be managed in accordance with high standards of fiduciary duty and in compliance with applicable laws and regulations.
3. Standards for return, asset allocation and diversification shall be determined from a strategic perspective and measured over successive market cycles.

1.3 SCOPE AND APPLICABILITY

It shall be the charge of the Finance and Budget Committee, as authorized by the Board and as that authorization may be modified from time to time, to implement the management process and monitor the Fund in accordance with this Statement. The Finance and Budget Committee, acting pursuant to this authority and to instructions from the Board, shall have direct responsibility for the oversight and management of the Fund.

1.4 RESPONSIBILITY

A. Finance and Budget Committee

In addition to its management of the University’s Fund, the Finance and Budget Committee shall, as more fully described herein, monitor all investment transactions of the University, recommend policies and procedures to ensure the maximum possible return on the Fund consistent with reasonable standards of responsible financial management and investment; submit recommendations to the Board to improve the financial position of the Fund; and subject to the policy directives of the Board, shall manage the Fund, recommend long-term investment policies and objectives, and receive on the Board’s behalf, quarterly, annually and

other periodic investment results from all investment managers, financial advisors or other similar professionals retained in the management of the Fund.

In fulfilling its responsibilities under this Statement, the Finance and Budget Committee shall, among other activities, recommend to the Board the hiring and dismissal of investment managers, fiscal agents and advisors.

B. Written Reports

Written reports on the Fund shall be provided quarterly to the Finance and Budget Committee by any and all investment managers, financial advisors or other similar professionals. The Vice President for Administration and Finance/CFO of the University shall be responsible to the Finance and Budget Committee for maintaining detailed records of all invested funds and for carrying out the investment policies and procedures established by the Board.

C. Investment Consultants

Investment Consultants retained in the management of the Fund shall:

1. Review and recommend changes which are advisable to refine investment policy
2. Suggest further objectives and guidelines for policy (including spending policy)
3. Help plan asset allocation
4. Assist in the selection of investment managers
5. Evaluate investment managers (historic and ongoing) at least on a quarterly basis
6. Provide written reviews of investment managers' performance and growth of Foundation's assets at least quarterly
7. Help select and evaluate a custodial bank
8. Provide investment strategy reports to the Committee or to the Board, as may be necessary.

D. Policy Review

This Statement shall be reviewed periodically by the Finance and Budget Committee and any recommendations for changes thereto shall be presented to the Board of Trustees of the University.

1.5 GOALS AND OBJECTIVES

A. Objectives of the Fund

The Fund has a long-term investment horizon. The primary investment objectives of the Fund are to:

1. Maintain, and strive to increase, the real purchasing power of the Fund after inflation, costs and spending (i.e., achieve "intergenerational equity");

2. Provide a stable source of liquidity and financial support for the mission of the University.

B. Investment Philosophy

While acknowledging the importance of preserving capital, the Board of Trustees also recognizes the necessity of accepting risk if the Fund is to be able to meet its long-term investment goals. It is the view of the Board of Trustees that choices made with respect to asset allocation will be the major determinants of investment performance. The Committee shall, as may be authorized by the Board from time to time, seek to ensure that the risks taken in the investment of the Fund are appropriate and commensurate with the Fund's goals and objectives.

1.6 INVESTMENT POLICIES AND PROCEDURES

1.1 A. Operating Guidelines

The Fund shall be managed in accordance with the Operating Guidelines described in this section. Once the Operating Guidelines have been approved by the Board, the Finance and Budget Committee shall have the authority to manage the Fund within the Operating Guidelines without further authorization from the Board.

2 B. Investment Policy

– *Asset allocation.* The Committee shall, consistent with the above sections, invest the Fund using an asset allocation of 60 percent equity and 40 percent fixed income. The allocation is based on the objectives of the Fund as set forth above.

– *Illiquid investments.* Because of their long-term nature, investments in and commitments to illiquid investment strategies, including but not limited to private capital, private equity real estate, natural resources, distressed debt and other similar private investments, shall be analyzed and discussed by the Committee.

– *Targets and ranges.* The asset allocation shall be implemented using a policy portfolio with target allocations and ranges for each investment strategy. Due to the need for diversification and the longer funding periods for certain investment strategies, the Board recognizes that an extended period of time may be required to fully implement the asset allocation plan. It is expected that market value fluctuations will cause deviations from the target allocations to occur.

– *Rebalancing.* The purpose of rebalancing is to maintain the Fund's policy asset allocation within the targeted ranges, thereby ensuring that the Fund does not incur additional risks as a result of having deviated from the policy portfolio. Rebalancing will take place on a portfolio basis to reduce expenses as far as practicable. More frequent tactical rebalancing of asset classes within their ranges will also be permitted in order to take advantage of shorter-term market conditions, as long as such changes or reallocations do not, in the opinion of the

Committee, cause undue risk or expense to the Fund.

– *Standard of conduct.* In managing and investing the Fund, the Committee shall:

- act in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances;
- incur only costs that are appropriate and reasonable in relation to the assets, the purposes of the University and the skills available to the University;
- make a reasonable effort to verify facts relevant to the management and investment of the Fund;
- consider the following factors, if relevant:
 - (a) general economic conditions;
 - (b) the possible effect of inflation or deflation;
 - (c) the expected tax consequences, if any, of investment decisions or strategies;
 - (d) the role that each investment, or course of action, plays within the overall investment portfolio of the Fund;
 - (e) the expected total return from income and the appreciation of investments;
 - (f) other resources of the University;
 - (g) the needs of the University and the Fund to make distributions and to preserve capital; and
 - (h) an asset's special relationship or special value, if any, to the charitable purposes of the University;
- make management and investment decisions about an individual asset not in isolation, but rather in the context of the Fund's portfolio of investments as a whole and as a part of the University's overall investment strategy, including the risk and return parameters set forth in this Statement.

– *Delegation.* Subject to any specific limitation set forth in a gift instrument, the Committee may delegate to an external agent the management and investment of all or part of the Fund to the extent that the University could prudently delegate under the circumstances. The Committee shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances in: (1) selecting an agent; (2) establishing the scope and terms of the delegation, consistent with the purposes of the University and the Fund; and (3) periodically reviewing the agent's actions in order to monitor the agent's performance and compliance with the scope and terms of the delegation. In this regard, the

Committee shall engage qualified external professional investment managers that have demonstrated competence in their respective investment strategies. Consistent with this Statement, these managers shall have full discretion and authority for determining investment strategy, security selection and timing of purchases and sales of assets subject to the guidelines specific to their allocation.

– *Investment manager reporting and evaluation.* The investment managers responsible for the investment of the Fund’s assets shall report quarterly on their performance. Reports shall include, at a minimum, the following information:

- Comparative returns for the Fund assets under management against their respective benchmarks.
- A complete accounting of all transactions involving the Fund during the quarter.

– Each investment manager shall review its portfolio with the Finance and Budget Committee at least annually; these review meetings may be supplemented by such other meetings as the Committee may think necessary.

When possible, the Committee shall monitor and compare the Fund’s performance relative to:

1. Absolute return objectives for the Fund
2. The respective benchmarks for each asset class or strategy in which the Fund is invested
3. A representative group of peer institutions identified by the Committee
4. A representative group of peer investment managers

3 C. Review of Investment Manager’s Performance

The Finance and Budget Committee shall review the performance results of each investment manager periodically including:

1. Detailed scrutiny of the investment manager’s process and philosophy;
2. Requiring the investment manager to present a detailed explanation of any poor performance to the Committee, and where appropriate to the Board.

The Committee shall report to Board any significant deviation from the performance objectives outlined in this Statement, and their recommendation, if any, for

1. Placing the investment manager on probation and allowing between two to four quarters for the investment manager’s performance to be brought in line with stated objectives, or for the fund manager’s performance to be otherwise evaluated;
2. Terminating the investment manager;

and on any changes required in the investment strategy, investment objectives, or Investment Policy Statement.

4 D. Asset Allocation, Investment Strategies, Guidelines and Restrictions

The Fund shall be diversified both by asset class and within asset classes. Within each asset class, investments shall be diversified further among economic sector, industry, quality and size. The purpose of this diversification is to provide a reasonable assurance that no single security or class of securities will have a disproportionate impact – positive or negative – on the overall performance of the Fund.

Prohibited Transactions

1. Investment managers are prohibited from entering into any transactions for the University which are not authorized by this Statement.
2. The purchase of securities on margin.
3. Direct purchase of single family or commercial mortgages.
4. Short sales
5. Direct loans or extension lines of credit to any interested party

E. Spending

– *Uses of the Fund.* Subject to the intent of a donor expressed in applicable gift instruments, as much of the corpus and earnings of the Fund as is deemed prudent by the Board of Trustees may be used for any purpose approved by the Board of Trustees.

In making that decision, the Board shall act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and shall consider, if relevant, the following factors:

- (1) the duration and preservation of the Fund;
- (2) the purposes of the University and the Fund;
- (3) general economic conditions;
- (4) the possible effect of inflation or deflation;
- (5) the expected total return from income and the appreciation of investments;
- (6) other resources of the University; and
- (7) the University's investment policy.

5 F. Investment Strategies, Guidelines and Restrictions

– *Equity Securities.* The purpose of equity investments, both domestic and international, in the Fund is to provide capital appreciation, growth of income, and current income. This asset class carries the assumption of greater market volatility and increased risk of loss, but also provides a traditional approach to meeting portfolio total return goals. This component includes domestic and international common stocks, American Depository Receipts (ADRs), preferred stocks, and convertible stocks traded on the world's stock exchanges or over-the-counter markets.

Public equity securities shall be restricted to high quality, readily marketable securities of corporations that are traded on the major stock exchanges, including NASDAQ, and have the potential for meeting return targets. Equity holdings must generally represent companies meeting a minimum market capitalization requirement of respective asset class profiles with reasonable market liquidity where customary. Decisions as to individual security selection, number of industries and holdings, current income levels and turnover are left to managers' discretion, subject to the standards of fiduciary prudence. However, investments in securities of issuers representing a single major industry (as determined by the Committee) shall not at time of investment exceed 10 percent of the Fund's total market value, and investments in securities of any one issuer shall not at time of investment exceed 5 percent of the Fund's total market value, unless approved by the Committee.

Within the above guidelines and restrictions, the Fund's investment managers shall have complete discretion over the selection, purchase and sale of equity securities.

– *Fixed Income Securities.* Domestic and international fixed income investments are intended to provide diversification and a dependable source of current income. Fixed income investments should reduce the overall volatility of the Fund's assets and provide a deflation or inflation hedge, where appropriate.

The fixed income asset class includes the fixed income markets of the U.S. and the world's other developed economies. It includes, but is not limited to, U.S. Treasury and government agency bonds, non-U.S. dollar denominated securities, public and private corporate debt, mortgages and asset-backed securities, and non-investment grade debt. Also included are money market instruments such as commercial paper, certificates of deposit, time deposits, bankers' acceptances, repurchase agreements, and U.S. Treasury and agency obligations. The investment managers shall take into account credit quality, sector, duration and issuer concentrations in selecting an appropriate mix of fixed income securities. Investments in fixed income securities should be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums.

Within the above guidelines and restrictions, the Fund's investment managers shall have complete discretion over the selection, purchase and sale of fixed income securities.

– *Cash and Equivalents.* The Fund's investment managers may invest in the highest quality commercial paper, repurchase agreements, U.S. Treasury Bills, certificates of deposit, and money market funds to provide income, liquidity for expense payments, and preservation of the Fund's principal value. Investments in the obligations of a single issuer shall not at time of investment exceed 5 percent of the Fund's total market value, with the exception of the U.S. Government and its agencies.

Since the Finance and Budget Committee does not consider short-term cash equivalent securities to be appropriate investment vehicles for long-term portfolios, uninvested cash reserves shall be kept to a minimum, except where needed to comply with the Fund's liquidity parameters. However, such vehicles are considered appropriate

(i) as a depository for income distributions from longer-term investments,

(ii) as needed for temporary placement of funds directed for future investment to longer-term investment strategies and (iii) for contributions to the current fund or for current operating cash.

Within the above guidelines and restrictions, the investment managers shall have complete discretion over the selection, purchase and sale of cash equivalent securities.

– *Alternatives.* The following alternative strategies shall be permitted investments for the Fund, subject to the respective guidelines set forth in each section. Investments in alternative strategies shall not at time of investment exceed 25 percent of the Fund’s total market value, unless approved by the Committee.

Marketable Alternative Strategies - Investments may include (among other strategies) equity-oriented or market-neutral hedge funds (i.e. long/short, macro event driven, convertible arbitrage, and fixed income strategies), which can be both domestic and international market oriented. These components may be viewed as equity-like or fixed income-like strategies as defined by their structures and exposures.

Private Capital - Investment allocations may include venture capital, private equity and international private capital investments, typically held in the form of professionally managed pooled limited partnerships. Such investments must be made through funds offered by professional investment managers.

Energy & Natural Resources - Investments may include oil, gas, and timber investments, typically held in the form of professionally managed pooled limited partnerships, as well as commodity-based investments. All such investments must be made through funds offered by professional investment managers.

Private Equity Real Estate - Investments may include equity real estate, held in the form of professionally managed, income producing commercial and residential property. Such investments may be made only through professionally managed pooled real estate investment funds.

Distressed Debt - Investments may include the debt securities of companies undergoing bankruptcy or reorganization. Such investments may be made only through professionally managed funds.

– *Derivatives and Derivative Securities.* Certain of the Fund’s managers may be permitted under the terms of their specific investment guidelines to use derivative instruments. Derivatives are contracts or securities whose market value is related to the value of another security, index, or financial instrument. Investments in derivatives include (but are not limited to) futures, forwards, options, options on futures, warrants, and interest-only and principal-only strips. No derivative positions can be established that have the effect of creating portfolio characteristics outside of portfolio guidelines.

Examples of appropriate applications of derivative strategies include hedging market, interest rate, or currency risk, maintaining exposure to a desired asset class while making asset allocation changes, gaining exposure to an asset class when it is more cost-effective than the cash markets, and adjusting duration within a fixed income portfolio. Investment managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions.

Each manager using derivatives shall (1) exhibit expertise and experience in utilizing such products; (2) demonstrate that such usage is strategically integral to their security selection, risk management, or investment processes; and (3) demonstrate acceptable internal controls regarding these investments.

– *Investment Restrictions.* The Finance and Budget Committee may waive or modify any of the restrictions in these guidelines in appropriate circumstances. Any such waiver or modification shall be made only after a thorough review of the investment manager and investment strategy involved. An addendum supporting such waiver or modification shall be maintained as a permanent record of the Finance and Budget Committee. All such waivers and modifications shall be reported to the Board of Trustees at the meeting immediately following the granting of the waiver or modification.

Adherence to the restrictions in these guidelines shall be measured as of the time of initial investment, and shall be re-evaluated periodically. It is recognized that subsequent market action may result in the investment or strategy ceasing to adhere to these restrictions, through no fault of the University staff or the respective outside manager. In such a situation, the University and the manager shall make reasonable attempts to bring the investment or strategy back within adherence to these restrictions, bearing in mind the long-term interests of the University and the Fund and the desirability of avoiding harmful forced sales of assets.

Investments in mutual funds or commingled funds shall be reviewed and approved by the Finance and Budget Committee on a case-by-case basis and, if approved, may vary from this Statement. For each such mutual or commingled fund, the prospectus, offering memorandum or Declaration of Trust documents of the respective fund will govern the investment policies of the fund investments. While the Finance and Budget Committee understands that such funds have their own stated guidelines which cannot be changed for individual investors, those guidelines should be similar in principle and spirit to the guidelines stated herein. To the extent that a mutual or commingled fund departs from any or all of such guidelines, the Finance and Budget Committee shall consider the possible consequences of that departure from the guidelines and be confident that the investment manager thoroughly understands the risks being taken, has demonstrated expertise in such investment strategies and has guidelines in place for monitoring their risk-adjusted performance.

(This Investment Policy Statement was developed using a Sample Traditional Investment Policy Statement Template provided by Commonfund)

Resolution of the Board of Trustees of the University of the Virgin Islands Approving Tuition Rate Increase Effective Fall 2013

WHEREAS, the University has implemented Vision 2012 Strategic Plan for sustainability as approved by the Board of Trustees, and

WHEREAS, the University is committed to maintaining affordable tuition rates in order to encourage the highest possible access to higher education by residents of the Virgin Islands, and

WHEREAS, the Board has mandated that the rates charged to full-time and part-time undergraduate residents of the Virgin Islands be substantially equivalent based on a credit load of 15 credits, and

WHEREAS, the Board has approved a rate differential of 3 times the undergraduate resident rate for undergraduate non-resident students, a rate differential of 2.5 times the undergraduate resident rate for graduate resident students, and a rate differential of 2 times the graduate resident rate for non-resident graduates, and

WHEREAS, the proposed increase in tuition rates would result in a revenue contribution of 30% of total operating revenues, and

WHEREAS, the projected increased tuition revenues will provide resources to assist the University with maintaining quality programs and retaining qualified faculty and staff, and

WHEREAS, the cost of providing quality programs and retaining qualified faculty and staff has been increasing, and

WHEREAS, the Board of Trustees has supported a policy of modest annual increases while keeping tuition rates affordable and competitive, and

WHEREAS, the last Board approved increase to tuition was implemented in Fall Semester 2011, and

WHEREAS, the proposed tuition rate increases will maintain the University's competitive price advantage over those institutions with which UVI competes most for students.

WHEREAS, on October 15, 2012, the Finance and Budget Committee of the Board of Trustees voted to recommend to the Board of Trustees the approval of a tuition rate increase of 5% effective Fall Semester 2013.

NOW THEREFORE BE IT RESOLVED:

Section 1. That the Board of Trustees of the University of the Virgin Islands hereby authorizes and approves, effective with the Fall Semester 2013, tuition rate increase of 5% which will result in the following rates:

Part-time Undergraduate Residents	\$140 per credit
Full-time Undergraduate Residents	\$4,190 per year
Graduate Residents	\$350 per credit
Part-time Undergraduate Non-Residents	\$420 per credit
Full-time Undergraduate Non-Residents.....	\$12,570 per year
Graduate Non-Residents	\$700 per credit

Section 2. That the Board of Trustees of the University of the Virgin Islands authorizes the President and Vice-President for Administration and Finance/CFO to take the necessary action to implement the foregoing schedule of tuition rates.

Section 3. That this resolution shall be in full force and effect from and after its adoption.

CERTIFICATION

The Undersigned does hereby certify that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands adopted at a meeting on October 27, 2012 as recorded in the minutes of said meeting.

 Secretary of the Board

 Date

**RESOLUTION OF THE BOARD OF TRUSTEES
UNIVERSITY OF THE VIRGIN ISLANDS**

To approve the tuition rates specified in a Memorandum of Understanding between the University of the Virgin Islands and the Nevis Island Administration for students who graduate from the Nevis Sixth Form College.

WHEREAS, the University of the Virgin Islands (UVI) is committed to supporting the intellectual and professional development of the workforce in the Virgin Islands and wider Caribbean as part of the University's mission; and

WHEREAS, UVI and the Nevis Island Administration (NIA), the latter acting on its own behalf and also for the Nevis Sixth Form College (NSFC), have agreed to enter into a Memorandum of Understanding (MOU) dated October 5, 2012, which establishes, for a period of ten years, areas of functional cooperation and tuition rates to be charged to students from Nevis who graduated from NSFC, and to non-Nevis students who graduated from NSPC with an associate degree or equivalent CXC CAPE qualifications, and enroll in undergraduate or graduate programs at UVI; and

WHEREAS, pursuant to the MOU, the tuition rates for such students will be 1.75 times tuition rates established for residents of the Virgin Islands to enroll in undergraduate or graduate programs at UVI; and

WHEREAS, NIA is committed to providing annual scholarships (20 in the first year, 25 by the third year, and 30 by the fifth year) and/or annual financial assistance of not less than USD\$6,000.00 in the first year, \$6,750.00 by the second year, and \$7,500.00 by the third year; and study leave scholarships (5 in the first year, 10 by the second year, and 15 by the third year) at four fifths of annual salary to Nevis students to pursue undergraduate and graduate programs at UVI; and

WHEREAS, on October 15, 2012, the Finance and Budget Committee of the Board of Trustees voted to recommend, to the Board of Trustees, the approval of the tuition rates specified in the MOU.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY:

1. The University is authorized to charge students, covered under the terms of the Memorandum of Understanding with the Nevis Island Administration, 1.75 times the rate established for residents of the Virgin Islands for enrollment in undergraduate or graduate programs, effective spring 2013 and for the duration of the MOU.
2. The President and Vice President for Administration and Finance are hereby authorized to take the necessary action to implement this resolution.
3. This resolution shall become effective October 27, 2012.

CERTIFICATION

The undersigned hereby certifies that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands adopted at its meeting on Saturday, October 27, 2012, as recorded in the minutes of said meeting.

Secretary of the Board

Date