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REVISIONS TO THE BOARD OF REGENTS POLICY MANUAL

Actions Requested: Consider final approval of the revision to Chapter 4 -- "Pay for Exceptional Performance" and first and final approval for combining committees in Chapter 1 "Standing Committees of the Board" of the Policy Manual.

Executive Summary: In May 2005, the Board approved a pilot program to recognize exceptional performance by nonorganized professional and scientific staff at the University of Iowa. The program was approved for a one-year period. The program was been deemed successful by the University; and rather than consider renewing it for a longer period, it was recommended that the Policy Manual be revised to make the option of recognizing exceptional performance available to all the institutions.

During the discussion of proposed revision at the May 2006 meeting, it was recommended that the eligibility be expanded to include both nonorganized faculty and professional and scientific employees. The following is the revision now proposed for final approval.

Pay for Exceptional Performance

The institutions are authorized to develop procedures for approval by the Executive Director to recognize exceptional performance by nonorganized faculty and professional and scientific staff.

If an institution chooses to institute such an award program, the number and amount of awards given, gender and ethnic breakdown of recipients as compared to all the eligible staff and examples of achievements recognized will be reported annually as a part of the Human Resources Comprehensive Report.

Also in May 2005, the Board approved membership on standing committees and combined the Audit and Compliance Committee and Investment Committee. These committees are enumerated separately with their individual responsibilities in the Policy Manual §1.05D. The Board is asked to consider approving combining these two committees. The policy after revision is shown on the next page. References to these two committees in other chapters of the Policy Manual will be changed accordingly after approval of this revision by the Board.

Proposed revision to Chapter 1 of the Board of Regents Policy Manual

D. Standing Committees of the Board of Regents

The Board of Regents standing committees and their responsibilities, are as follows:

Audit/Compliance and Investment Committee. This committee is primarily responsible for:

- Receiving and reviewing information about internal and external audit functions related to the operation of all Regent institutions
- Oversight of security planning across the Regent enterprise
- Evaluating the annual audit plans proposed by internal auditors, with emphasis on financial control systems, mitigation of major risks, operational efficiencies, and compliance matters
- Reviewing all reports prepared by internal auditors of the Regent institutions
- Assuring continued evaluation, improvement, and adherence to all Board and institutional policies, procedures, and practices
- Facilitating an open avenue of communication among the independent auditors, state auditors, financial and senior management, internal auditors, the Committee, and the Board of Regents
- Reviewing a summary of claims and/or pending lawsuits filed against the Regents and/or a Regent institution
- Ensuring the preservation of principal, sufficient liquidity for anticipated needs, and maintenance of purchasing power of investable assets
- Monitoring institutional investment and treasury management practices and performance
- Reviewing investment reports
- Ensuring compliance with Board investment policy
- Developing the broad investment strategy to be followed and the general limitations on the discretion granted to internal and external investment managers
- Making recommendations to the Regents on the hiring, retention, and review of investment advisors and managers