



# THE AMERICAN UNIVERSITY OF KURDISTAN

## Board of Trustees Policies

Policy Number: GA004  
Effective Date: 02 May 2019

**Table of Contents**

I. TRUSTEE RESPONSIBILITIES ..... 2

II. CONFIDENTIALITY OF BOARD MATTERS ..... 2

III. TRUSTEE CONFLICT OF INTEREST ..... 3

    A. Presumed conflicts of interest ..... 3

    B. Disclosure of financial interests ..... 4

    C. Determination whether conflict of interest exists ..... 4

    D. Consideration of matters involving conflict of interest ..... 4

    E. Record of proceedings ..... 5

    F. Gifts ..... 5

    G. Appropriation of University opportunities ..... 5

    H. Confidentiality ..... 5

    I. Actions not void or voidable ..... 5

IV. RECUSAL FROM BOARD DELIBERATIONS ..... 5

V. MEETING IN CLOSED SESSION ..... 5

VI. TRUSTEE FUNDRAISING ..... 5

VII. STANDARDS FOR TRUSTEE APPOINTMENT, PERFORMANCE, AND REVIEW ..... 6

    A. Selection Criteria for Trustee Nominees ..... 6

    B. Orientation of New Trustees ..... 6

    C. Review and Evaluation of Trustee Effectiveness ..... 7

VIII. ELECTION OF BOARD TRUSTEES ..... 8

IX. ELECTION OF COMMITTEE OFFICERS AND MEMBERS ..... 8

X. GOVERNANCE ..... 8

XI. BOARD RETREAT ..... 9

XII. TRUSTEES EMERITI ..... 9

XIII. CAMPUS REPRESENTATIVES ..... 9

XIV. TRUSTEE RECORDS ..... 10

XV. PRESIDENTIAL COMPENSATION AND CONTRACTS ..... 10

XVI. REIMBURSEMENT OF TRUSTEE EXPENSES ..... 10

XVII. GIFTS TO THE UNIVERSITY ..... 11

XVIII. HONORARY DEGREES ..... 12

XIX. EQUAL OPPORTUNITY, AFFIRMATIVE ACTION, AND NONDISCRIMINATION ..... 12

XX. POLICY ON REPORTING SUSPECTED MISCONDUCT ..... 12

XXI. POLICY HISTORY ..... 14

## **I. TRUSTEE RESPONSIBILITIES**

Trustee responsibilities are set forth in the Board of Trustees (BOT) Bylaws of The American University of Kurdistan. The following statement clarifies these responsibilities and obligations and serves as a guide for members to assess their own performance. These responsibilities include, but are not limited to, the following:

- 1) Contribute to the enhancement of the teaching-learning environment, foster intellectual integrity, and ensure that informed, highly educated citizens are prepared to participate responsibly in a free and open society;
- 2) Uphold the legal and fiscal responsibilities of the Board as specified in the BOT Bylaws;
- 3) Exercise general oversight of the University and ensure its solvency, dignity, freedom, and autonomy;
- 4) Elect, support, and evaluate the President of the University;
- 5) Define and monitor the mission and long-range plans of the University and approve educational programs consistent with them;
- 6) Maintain the physical plant and preserve the assets of the University;
- 7) Raise funds for the University through personal financial contributions to the annual fund and capital campaigns and by soliciting other financial support;
- 8) Devote sufficient time and interest to be genuinely knowledgeable about the University and, acting as its ambassadors, be able to convey and interpret to the public the mission, strengths, and needs of the University;
- 9) Attend regularly and participate actively in Board meetings and committee assignments;
- 10) Assist in recruiting well-qualified students for admission and in helping well-qualified graduates of the University to enter graduate and professional schools and to obtain employment;
- 11) Approve full-time and tenured faculty and senior leadership appointments recommended by the president.

## **II. CONFIDENTIALITY OF BOARD MATTERS**

The sensitive nature of Board decision-making requires an environment of trust and mutual respect. Confidentiality is a keystone for frank and open discussion and a protection for the University as a whole. Trustees are expected to respect and maintain the confidential nature of Board matters, including, but not limited to, documents and discussion, in both committee and Board meetings.

Confidential Board matters should not be disclosed in any conversation external to the Board itself or other members of the Board. No Board Member may comment to the media on Board or University matters, absent express permission by the Board Chair. Media inquiries will normally be responded to by the Board Chair, University President, Board Secretary or other designated University spokesperson.

Respect for the Board's policy on confidentiality is considered so important that a breach of it may be considered a sufficient basis for sanction by the Board Chair, such as removal from committee positions, up to and including removal from the Board.

### **III. TRUSTEE CONFLICT OF INTEREST**

University Trustees commonly have a range of professional and personal associations with and interests in other entities. To assure the University's many constituents of the integrity of its endeavors, Trustees should avoid situations in which such associations or interests could compromise or reasonably appear to compromise important academic values or the University's business decisions. Accordingly, it is the University's policy that Trustees shall act in a manner consistent with their responsibilities to the University and avoid circumstances in which their financial or other ties to outside entities could present an actual, potential, or apparent conflict of interest ("conflict of interest") or impair the University's reputation.

No policy statement can address specifically every conceivable situation that might entail a conflict of interest. As a general principle, Trustees should avoid any actions or situations that might result in or create the appearance of using their association with the University for private gain, according to unwarranted preferential treatment to any outside individual or organization, losing independence or impartiality, or adversely affecting the University's reputation or public confidence in its integrity.

#### **A. Presumed conflicts of interest**

For purposes of this policy, a conflict of interest is presumed to arise when the University has or is considering a transaction or other business relationship with a Trustee or a Trustee's family member (defined to include a spouse, child or household member) or with an outside entity in which the Trustee or family member has a material financial interest. A financial interest is presumed to be material if it entails:

- Any ownership or investment interest (including stock, options, a partnership interest, or any other ownership or investment interest) valued at more than \$10,000, except equity in a publicly traded company amounting to less than a 5% ownership interest in the company;
- Receipt of non-dividend compensation (including salary, consulting fees, royalty payments, or other remuneration) of more than \$10,000 in any 12-month period in the past 3 years, or the expectation of such compensation in the future;
- Real property, personal property, intellectual property, or any other interest valued at \$10,000 or more;
- A position of real or apparent authority in an outside entity, such as director, officer, Trustee, or partner.

A Trustee is not deemed to have a material financial interest in a publicly-traded entity by reason of an investment in that entity by another publicly-traded entity, such as through a mutual fund, of which the Trustee does not control investment decisions.

A conflict of interest may also arise when a Trustee or family member has or is considering an investment in an entity, such as a fund or partnership, that is not publicly traded and in which the University has or is considering an investment. Because such parallel investments may create at least an appearance that the Trustee is benefiting from the University's participation in the entity, Trustees should promptly disclose to the Board any material financial interest in any such entity in

which the Trustee otherwise knows the University has or is considering an investment. The Trustee may not participate in any decision of the Board or of any Board committee regarding such investment by the University, absent a vote of two-thirds of the Trustees present at a duly constituted Board meeting, that the interests of the University fully warrant such participation.

#### **B. Disclosure of financial interests**

A Trustee who has a known material financial interest in a pending or proposed transaction or business arrangement involving the University shall promptly disclose to the Board the existence of the interest and other material information that the Trustee may have regarding the transaction or arrangement. In addition, each Trustee shall annually sign and submit to the Secretary of the Board a statement disclosing all material financial interests, known to the Trustee, of the Trustee or a family member, in any outside entity with which the Trustee knows the University has or is considering a transaction or other business relationship, or affirming that the Trustee knows of no such interests.

#### **C. Determination whether conflict of interest exists**

The Secretary shall review annual disclosure statements to determine whether a material financial interest has been disclosed. If a material financial interest has been disclosed, the Secretary shall promptly submit to the Chair of the Board's Audit Committee or, if the interests involve the Chair of the Audit Committee, another member of the Audit Committee, such disclosure forms together with any additional information about the current or proposed transaction or business relationship that may give rise to a conflict of interest that the Secretary in consultation with the Audit Committee believes may be informative.

The Audit Committee shall review the matter and determine whether a conflict of interest exists. If the interests being reviewed involve a member of the Audit Committee, the member shall not participate in or be present during the committee's consideration of the matter except as requested by the committee to answer questions or provide information. The Audit Committee may review such information as it deems pertinent, including posing questions to the interested Trustee involved. If the Audit Committee determines that there is a conflict of interest, it shall so advise the interested Trustee, who shall have an opportunity to address the matter with the Audit Committee. If the Audit Committee or the Trustee involved believes that to do so is indicated, the matter may be referred to the Board.

If a conflict of interest determination is referred to the Board, either following review by the Audit Committee or if disclosure is made in the first instance to the Board (for example, where a Trustee becomes aware of a possible conflict of interest during or just before a meeting of the Board), unless the Trustee elects recusal, the Board shall decide whether a conflict of interest exists. The Board may question the interested Trustee, and the Trustee shall have an opportunity to address to the Board whether there is a conflict. The interested Trustee shall leave the Board meeting while the disinterested members of the Board determine, by majority vote, whether the financial interest gives rise to a conflict of interest. If it is determined that no conflict of interest exists, the interested Trustee may rejoin the meeting and participate fully in the discussion of and vote on the proposed transaction or arrangement.

#### **D. Consideration of matters involving conflict of interest**

If the Board determines that a Trustee has a conflict of interest in a matter before the Board, the Board may permit the interested Trustee to make a presentation regarding the matter, but the interested Trustee shall be required to leave the meeting prior to the discussion of, and the vote on, the proposed transaction or arrangement. The Board shall approve the transaction or arrangement only upon a finding, by a majority vote of the disinterested Trustees, that the transaction or

arrangement is in the University's best interest, is for the University's benefit, and is fair and reasonable to the University. The Board may engage such consultants as it deems necessary or useful to assist its determination of these issues.

#### **E. Record of proceedings**

Whenever the Board holds a meeting at which a Trustee's financial interest in a matter is disclosed, a determination regarding the existence of a conflict of interest is made, or a transaction or arrangement with respect to which a Trustee has a conflict of interest is considered, the Board's consideration of these issues shall be reflected in the minutes of the meeting.

#### **F. Gifts**

Trustees shall not encourage or accept gifts, favors or gratuities, for themselves or family members, from any individual or entity that to the Trustee's knowledge has, or seeks to have, a business relationship with the University.

#### **G. Appropriation of University opportunities**

If a Trustee becomes aware of a business, investment, or other potentially valuable opportunity that rightfully belongs to the University, and not to the Trustee individually or another entity with which the Trustee is affiliated, the Trustee shall bring the opportunity to the attention of the Board.

#### **H. Confidentiality**

Trustees may not use confidential information acquired as a result of service to the University for any purpose unrelated to University business, or provide such information to any third party, without the consent of the Board. Wrongful use of University information includes, but is not limited to, use or disclosure of information to engage, invest or otherwise participate in any business, project, venture, or transaction other than through the University.

#### **I. Actions not void or voidable**

No transaction or action undertaken by the University shall be void or voidable, or may be challenged as such by an outside party, by reason of having been undertaken in violation of this policy or the principles set forth herein.

### **IV. RECUSAL FROM BOARD DELIBERATIONS**

In addition to recusal from Board meetings of any Trustee because of actual or potential conflict of interest, recusal of University affiliated Trustees (the President and other staff) may also be appropriate under other circumstances such as where the Trustee as a University constituent may be affected financially by a Board decision, where disclosure to the Trustee may occur of information of a personal or private nature concerning another University constituent, or where the Trustee's participation might cause a legal privilege to be in jeopardy.

### **V. MEETING IN CLOSED SESSION**

Consistent with contemporary corporate governance practices, at each Board meeting a period of time will be set aside for the voting Trustees to meet in closed session. The purpose of such a session is to permit voting Trustees to discuss matters as to which otherwise non-voting Trustees would be required or would choose to recuse themselves.

### **VI. TRUSTEE FUNDRAISING**

Trustee financial contributions signal a commitment to the University that every Trustee should make. Providing leadership in AUK development activities is a critical obligation of the Board. The University's ability to accomplish its mission and to realize the goals of the strategic plan depend on

its success in raising funds. The success of the University in this regard rests directly upon Board initiative and leadership. Accordingly, each Trustee will contribute annually to the University, commensurate with the Trustee's ability to do so, and to participate actively in fundraising activities. Some Board members will have a greater capacity, interest, and skill in this area, but every Trustee is responsible for some form of participation.

## **VII. STANDARDS FOR TRUSTEE APPOINTMENT, PERFORMANCE, AND REVIEW**

### **A. Selection Criteria for Trustee Nominees**

Nominees to the AUK Board of Trustees will demonstrate as many of the following characteristics as possible for consideration as a candidate to the Board of Trustees:

- 1) Clear understanding of and willingness to work actively to promote the interests and quality of the University;
- 2) Influence at the local, national, or international level that could be used in support of the University and its programs;
- 3) As means and time permit, a capacity and willingness to make significant contributions and/or assist in the University's fund-raising efforts;
- 4) Leadership ability;
- 5) Special skills, talents, or interests that could prove of value to the University;
- 6) Ability to attend and be involved regularly in Board and committee meetings and other University activities;
- 7) Ethnic, gender, professional, and geographical diversity;
- 8) A relationship with the University - e.g., alumnus/a, parent of a past or present AUK student, member of a school or college advisory council, friend of the University, etc. - other than being a University employee. The BOT's Bylaws do not permit a current University employee to be a voting Trustee (the exceptions - all non-voting Trustees - are the University President and Secretary); and
- 9) A lack of any potential conflict-of-interest (e.g., Board membership at a competing University).

The Board will energetically seek Trustees with diverse backgrounds and experiences. The Board recognizes that a robust diversity of backgrounds among the Trustees will add significantly to the quality of the Board and its deliberations. Further, a key consideration in the selection of Trustees for a distinguished academic institution such as AUK is to find persons who deeply support, respect, and value highly the life of the mind.

### **B. Orientation of New Trustees**

Orienting new Trustees to the University and to the work of the Board is an important function of the Board. The Trusteeship Committee is responsible for developing and overseeing an orientation program for all new Trustees. The program should address what is expected of Trustees as well as how the Board is expected to work. The Secretary of the Board is charged with administration of the program, with oversight by the Trusteeship Committee and Board officers.

### **C. Review and Evaluation of Trustee Effectiveness**

The performance of individual Trustees will be evaluated formally at least every three years near the conclusion of a Board member's term. Approximately six months before the end of a "class" of Trustees' term, the Trusteeship Committee will ask them if they wish to be considered for re-election to another three-year term. All those who wish to be considered for re-election will be required to submit to the Trusteeship Committee a confidential self-evaluation on a form provided by the Trusteeship Committee. The Trusteeship Committee will assess each Trustee's performance based on the self-evaluation and other factors set forth by the Trusteeship Committee, confidential peer evaluations of the Trustee's contributions to committee and Board meetings; Board meeting attendance records; financial contribution records (both lifetime and during the past three years); and records of University involvement (e.g., membership on advisory councils, fundraising leadership, etc.). Criteria for individual Trustee effectiveness are listed below.

- Demonstrated active involvement in Board and University activities in ways that promote the welfare and quality of the University;
- Regular attendance and effective participation in Board and committee meetings;
- Involvement in University activities other than Board meetings;
- Use of special talents, abilities, or professional relations to benefit the University;
- Financial support of the University with payments kept current;
- Assistance in development and fund-raising programs; and
- Compliance with the Trustee Conflict of Interest policy.

Further, recognizing the increasing importance of the assessment's value not only for individual performance but also for organizational performance, under the leadership of the Trusteeship Committee, the Board should take advantage of periodic external evaluation in order to have its performance assessed independently and professionally. Among the criteria for Board effectiveness should be:

- 1) Enhancement of the public image of the University;
- 2) Progress toward accomplishing Board-approved goals;
- 3) Active support of the President and an annual review of performance;
- 4) Significant funds contributed and raised;
- 5) Effective oversight of financial resources;
- 6) Effective oversight of academic resources;
- 7) Assurance of successful implementation of the strategic plan;
- 8) Promotion of the well-being of faculty, students, administrators, and alumni;
- 9) Visible participation in campus events;
- 10) Periodic assessment of Board's performance, leading to Board development and renewal;

- 11) Board and committee meetings arranged and conducted efficiently, with clear and tangible outcomes and assigned responsibility for implementing decisions; and
- 12) Board and committee meetings focused on major issues with genuine significance for the University.

### **VIII. ELECTION OF BOARD TRUSTEES**

- 1) Before the end of the Board officers' terms, the Trusteeship Committee will poll Trustees for comments and recommendations to nominate either current officers for re-election or new officers for election.
- 2) To qualify for election, a Trustee must have served one (1) three-year term.
- 3) The committee will notify nominees of their nomination, inform them of Trustee responsibilities, and confirm nominees' willingness to serve.
- 4) The Trusteeship Committee will discuss its findings, agree on nominees to recommend for election or re-election, and make recommendations to the Board.
- 5) Trustees are elected by a simple majority of those present at the meeting at which a quorum is present (a quorum shall be 51% of the total number of Trustees). Nominations may be made from the floor at the time of election.
- 6) The three-year terms of incoming Trustees will begin at the next meeting following the meeting Trustees elections. No Trustee, other than ex officio members, will be eligible to serve more than two (2) consecutive three-year terms on the Board, absent permission from the Board Chair and a vote by a two-thirds (2/3) majority of a quorum.

### **IX. ELECTION OF COMMITTEE OFFICERS AND MEMBERS**

- 1) Except for the Trusteeship Committee, nominations of committee officers and members for three-year terms will be made by the Trusteeship Committee for action by the Board.
- 2) The Chair of the Board (or his designated appointee) shall chair the Trusteeship Committee. Nominations of Trusteeship Committee members for three-year terms will be made by the Executive Committee for action by the Board at the same regular meeting as the other committee nominations after the committee officers have been approved by the full Board.
- 3) Vacancies on Standing Committees will be nominated by the Trusteeship Committee and approved by the Board Chair for any unexpired term.
- 4) Vacancies on the Trusteeship Committee will be filled by the Board Chair.

### **X. GOVERNANCE**

Board responsibility for governing the University includes:

- 1) Being well informed about University affairs;
- 2) Serving as the ultimate authority with respect to matters of significance affecting the operations, reputation, and mission of the University;
- 3) Evaluating and approving major policies and goals of the University;

- 4) Being knowledgeable about University finances, ensuring that they are strong and are managed prudently;
- 5) Approving University programs that are consistent with the mission of the University and fulfilling inherent commitments to students, faculty, and staff;
- 6) Overseeing the successful implementation of the strategic plan;
- 7) Being structured to conduct its own affairs efficiently and effectively;
- 8) Engaging in self-assessment on a regular basis;
- 9) Maintaining appropriate oversight of the University; and
- 10) Expressing its commitment to and respect for the leadership of the President, the administration, and the faculty, and for the full-time commitment and expertise that University personnel bring to the issues that confront the University.

The Trusteeship Committee is responsible for implementing governance policies. When the committee screens Board candidates, it should fully inform them of the commitments to the University that are expected. Moreover, the committee is expected to enforce these obligations in its monitoring of the individual performance of Board members.

#### **XI. BOARD RETREAT**

A Board retreat should be held from time to time, generally, every two or three years or when special issues arise, to address in depth the major issues facing AUK and higher education.

#### **XII. TRUSTEES EMERITI**

In order to give special recognition to retiring Trustees who have given distinctive and meritorious service to the University and to allow them to continue to support the University, the Board may appoint them as Trustees Emeriti.

Former members of the Board who have served as Trustees for a minimum of nine years and who have given distinctive and meritorious service to the University, may, upon the recommendation of the Trusteeship Committee, be nominated for election by the Board to Trustee Emeritus status.

Appointment as Trustee Emeritus will be a lifetime appointment. Trustees Emeriti may be invited to attend Board meetings and to participate in said meetings without vote. Their attendance will not be counted in determining the quorum for meetings.

#### **XIII. CAMPUS REPRESENTATIVES**

The Board believes it should give careful attention to the views of deans, faculty, students, alumni, and staff and should take advantage of the expertise, interest, and concern of these University representatives through shared information and participation in the governing process.

Therefore, representatives appointed by and from the deans, Faculty Senate, Student Government, Staff Council, and Alumni Association may serve as resource persons distributed among the Board committees except for Executive Committee and Trusteeship Committee.

Additionally, the chairs of the Faculty Senate and Staff Council, the presidents of the Student Government and Alumni Association may be invited to the committee sessions of Board meetings as resource persons.

#### **XIV. TRUSTEE RECORDS**

All recorded minutes and reports of Board and committee meetings will be treated as private documents and maintained in the custody of the Secretary of the Board. These records will not be delivered or transmitted from their custody for archival and/or permanent storage for a period of five (5) years after the close of any University fiscal year, unless otherwise directed by the Board or the Executive Committee. This restriction will not prevent disclosure or distribution of such records in accord with University Bylaws, financial and audit reporting requirements, and local laws. On Board authority, the Secretary may provide selected excerpts of Board minutes and certify them as true and correct copies.

#### **XV. PRESIDENTIAL COMPENSATION AND CONTRACTS**

This policy applies to contracts with, and compensation for the President of University.

Any University contract with the president, including the President's employment agreement, shall be in writing and shall contain all material financial terms. A contract with the President shall be disclosed in full to the Board and must be approved by the Board prior to its execution on behalf of the University.

The terms of any contract with the President, and the compensation to be paid the President, shall be reviewed periodically by the Compensation Subcommittee of the Board's Executive Committee, which may engage counsel and compensation specialists as the subcommittee deems advisable to assure that the compensation paid is appropriate in relation to that paid by comparable institutions of higher learning for similar services, as well as other relevant considerations including performance. To be effective, any report, recommendation or finding of the Compensation Subcommittee, or any other committee, regarding the President's compensation, must be approved by the Board and recorded in the minutes of the Board meeting at which such vote occurred.

The Board will receive a periodic evaluation of the President's performance from the Compensation Subcommittee, which will consult with the various University constituencies in preparing its report.

The Secretary of the Board shall serve as the contracting officer for each contract with the President. The Secretary of the Board shall sign each contract as approved by the Board and maintain the original copy for the University. The Secretary of the Board shall be consulted by the Board before such a contract is executed, and thereafter the Secretary of the Board shall oversee compliance with the contract.

#### **XVI. REIMBURSEMENT OF TRUSTEE EXPENSES**

Subject to the limited exception noted, the University will not reimburse Trustees for the expenses, including travel, meals, and lodging, incurred in connection with their service as Board members. For most individuals, properly documented and reasonable expenses incurred because of one's service as a University Trustee, such as travel expenses to meetings, are normally treated as charitable contributions.

It is recognized that for some individuals such Trustee-related expenses may rise to a level that would impose an undue burden on their personal finances and possibly discourage them from accepting certain assignments or even to leave the Board. In such cases, the University will reimburse reasonable expenses incurred by the particular Trustee at amounts consistent with general University expense reimbursement policies, provided the individual has received prior approval for such reimbursement by the Board Chair in the instance of travel- and meeting related expenses, and submits the required substantiating documentation to the University for such

expenses in a timely manner after they have been incurred. Requests for reimbursement will not be entertained if there has not been the requisite prior approval for reimbursement of the particular category of expense either on a continuing or specific basis unless the Board Chair for good cause shown determines otherwise. The Audit Committee of the Board will also be advised on a periodic basis of any reimbursements made to any Trustee to assure that University expense reimbursement policies are being followed.

If a Trustee has received approval for reimbursement of travel-related expenses, that Trustee should obtain the pertinent University requirements for reimbursement of such expenses to University personnel and conform to them. These include limitations on class of travel, lodging and meal expense, and required documentation.

The BOT Bylaws provide for indemnification of current and former Trustees in the event they are subject to claims or liabilities arising out of their service to the University, subject to the approval of the Board itself or the Executive Committee, as applicable. With respect to requests for indemnification, the provisions of the Bylaws are controlling. With respect to any other expense for which a Trustee may seek reimbursement, the provisions of this policy shall govern.

## **XVII. GIFTS TO THE UNIVERSITY**

- 1) The primary need for contributions to the University is for unrestricted gifts to the general endowment. Trustees and University representatives should concern themselves first and foremost with initiatives and approaches that lead to such gifts.
- 2) Gifts to any unit or individual representing the University can be solicited on behalf of the University if and only if the Board or President has approved in advance the source and purpose of the gift.
- 3) Gifts will be accepted only if their terms are consistent with University policies and procedures, if they enhance University programs or services, and if they conform to local laws.
- 4) Priorities for capital and endowment gift solicitations should be consistent with the University's long-range plans approved by the Board.
- 5) The president is authorized to approve or deny gifts to the University of \$100,000 or less. The Board or Executive Committee must approve gifts above \$100,000. The President must seek approval from the Board or Executive Committee for any gift that may have problematic consequences for the University.
- 6) The President is responsible for ensuring that gifts are used in the best interest of the University consistent with the intent of the donor.
- 7) Should there be a change of policy or program that prohibits implementation of the original purpose of the gift, the President should recommend viable alternatives, and the Board should apply the funds to purposes nearest the donor's intent.
- 8) When an endowment fund is established to support a new activity not included in the current operating budget, except for capital projects, the activity should not begin until the endowment fund balance reaches at least fifty percent (50%) of the amount required by the gift instrument and there is binding assurance that the full amount will be forthcoming according to the terms of the gift instrument.

## **XVIII. HONORARY DEGREES**

The University may confer honorary degrees upon individuals who have made meritorious contributions to society or to University in fields related to the University's mission. The power to confer honorary degrees rests with the Trustees and may be exercised at their initiative or at the initiative of the President, subject to the Board's approval.

- 1) Honorary degrees will be conferred in the following areas of achievement: distinguished creative or scholarly work; outstanding leadership or service in education, government, politics, international affairs, civic and community affairs, industry, commerce, labor, the arts, and philanthropy; and contributions to humanitarian causes or to the University.
- 2) Honorary degrees that may be conferred will be Doctor of the programs AUK offers.
- 3) The achievements of the recipient must have a clear relation to the mission of the University and the principles for which it stands. In keeping with the University's heritage, the ethical dimensions of the achievements of the nominee will be considered in the decision to confer the degree.
- 4) Because the University intends not only to recognize but also to discover meritorious achievement, the conferral of honorary degrees will not be restricted to persons already prominent and well recognized.
- 5) Because of their importance, honorary degrees will be conferred only at University-wide convocations or ceremonies. They will not ordinarily be awarded in absentia, except in extraordinary circumstances—the principal exception being those conferred posthumously.

## **XIX. EQUAL OPPORTUNITY, AFFIRMATIVE ACTION, AND NONDISCRIMINATION**

AUK is an equal opportunity, affirmative action institution that operates in compliance with applicable laws and regulations. More importantly, however, such compliance stems from the history and tradition of the University, which embrace and express the deepest values of the human community—equality, openness, and the dignity of every individual.

The fact that the University does not discriminate on the basis of race, color, religion, national origin, gender, sexual orientation, age, or disability is, in fact, consistent with and a reflection of its special tradition of social justice. Extending that tradition into the present, equal opportunity, affirmative action and nondiscrimination apply to every aspect of the University's operations and activities, including admissions, employment, and access to University programs and services.

## **XX. POLICY ON REPORTING SUSPECTED MISCONDUCT**

AUK expects its employees to perform their duties in accordance with applicable laws and regulations, University policy and procedures, and high ethical standards. The University is committed to compliance with all applicable laws and regulations and to promulgate and administer University policies and procedures that faithfully apply such laws and regulations. A culture of compliance strengthens and promotes ethical practices and respectful treatment of all members of the University community and those who conduct business with the University.

- 1) **Purpose.** The purpose of this Policy is to encourage and enable good-faith reports by University employees and others of observed or suspected misconduct or noncompliance with law or with University policies and procedures.

- 2) **Scope.** This Policy is intended to encourage and enable employees and others who have good-faith serious concerns about misconduct, including violations of law, regulations or University policies and procedures or other conduct (“Misconduct”) to raise them with the University before seeking external resolution. This Policy is not intended to supplant, but rather to complement and supplement, existing University policies. It thus does not affect any rights, responsibilities, or procedures set forth in other University policies addressing misconduct. For example, complaints or grievances such as those regarding discrimination or harassment, other personnel and employment matters, academic and disciplinary matters, academic freedom, research misconduct, and other matters as to which there are specific University policies, should ordinarily be made and addressed in accordance with the University policies applicable to such matters and applicable law.
- 3) **Reporting Responsibility.** Each member of the University community shares responsibility for stewardship of University resources and compliance with laws and policies. Therefore, University faculty, staff, and students are encouraged to report, in accordance with this Policy, any Misconduct by University employees, or actions of other parties that may result in financial loss or other harm to AUK, of which they may become aware. For purposes of this Policy, a Reporting Person is any employee or student who makes a report under this Policy.
- 4) **Guidance on Reporting.** An employee who has a question about the propriety of any practice under University policies or procedures should ordinarily seek guidance from his or her supervisor or a University official with compliance oversight responsibility for the particular policy or procedure.
- 5) **Confidentiality.** A Reporting Person may request that a report made under this Policy be handled as confidentially as possible under the circumstances. Although the University will endeavor to handle all such reports with discretion and due regard for privacy, other obligations and considerations may preclude the University from maintaining confidentiality in all circumstances.
- 6) **Anonymous Reports.** A Reporting Person may make an anonymous report. However, it should be understood that any investigation may be hampered or be impracticable if the Reporting Person cannot be identified and questioned about the allegations and related facts.
- 7) **Persons to Whom Reports May Be Made.** A Reporting Person ordinarily should make the report to his or her immediate supervisor. If the Reporting Person believes it inappropriate to report to an immediate supervisor, the Reporting Person should raise the issue with another person with supervisory authority, such as his or her manager, department chair, dean, director, or the University office or official responsible for overseeing compliance with the policy or procedure at issue. If a Reporting Person believes further reporting is appropriate, a report under this Policy may be made to the following offices:

Reports about a staff member may be filed with Human Resources.

Reports about a faculty member may be filed with Office of the Provost.

Reports about a student may be filed with Office of Student Affairs.

Reports involving the President, a Vice President, or a Trustee of the University, or any report concerning accounting practices, finances, internal controls, inappropriately

managed conflicts of interest, and/or auditing may be submitted to the Chair of the Audit Committee of the AUK Board of Trustees, by submitting the report, in an envelope addressed to the Chair of the Audit Committee, to the office of the Secretary of the Board. Reports submitted in this manner will be delivered to the Chair of the Audit Committee of the Board of Trustees for evaluation. The Audit Committee shall address all reported concerns or complaints. The Audit Committee will exercise discretion in determining whether to conduct further review, initiate an investigation, or refer the matter to a University office the Committee deems appropriate to handle it, or what other steps if any are warranted.

- 8) **No Retaliation.** No individual who in good faith reports a violation or suspected violation shall thereby suffer harassment, retaliation or adverse employment and/or academic or educational consequence. An employee who retaliates against someone who has made a report in good faith under this Policy is subject to disciplinary action, up to and including dismissal from the University. Individuals who believe they have suffered retaliation may report it to one of the reporting venues identified above.

Reports made in bad faith or with knowledge of their falsity may subject individuals to disciplinary or other appropriate action. Making a report under this Policy shall not insulate an individual from personnel or other actions that are warranted based on performance or other factors and are not caused by the making of a complaint under this Policy.

- 9) **Document Retention.** The Office of the President will document the processing and, as appropriate, resolution of reports made under this Policy, and shall retain such documents in a secure location.
- 10) **Interpretation.** The Office of the President is responsible for implementing and interpreting this policy.

## **XXI. POLICY HISTORY**

- a. **Approved by:** Board of Trustees
- b. **Adopted:** May 02, 2019
- c. **Amended:** May 02, 2019