



OFFICE OF THE BOARD OF TRUSTEES

**Public Meeting Notice**

March 15, 2019

TO: Southern Oregon University Board of Trustees, Executive and Audit Committee

FROM: Sabrina Prud'homme, University Board Secretary

RE: Notice of Regular Meeting of the Executive and Audit Committee

The Executive and Audit Committee of the Southern Oregon University Board of Trustees will hold a regular meeting on the date and at the location set forth below.

The meeting will include a report from the Internal Auditor. Action items include amendments to the following governing documents: Board Statement on Ethics and Conflict of Interest; Board Statement on Policies; Board Statement on Recommending Candidates for At-Large Board Positions; and the Investment Policy, SOU Endowment Fund. There will be an update on the activities of the Governance Work Group and an overview of the information technology security environment.

The meeting will occur as follows:

Friday, March 22, 2019

9:30 a.m. to 11:30 a.m. (or until business concludes)

Hannon Library, DeBoer Room, 3<sup>rd</sup> Floor, Room #303

Visit [governance.sou.edu](http://governance.sou.edu) for meeting materials.

The Hannon Library is located at 1290 Ashland Street, on the Ashland campus of Southern Oregon University. **If special accommodations are required or to sign-up in advance for public comment, please contact Kathy Park at (541) 552-8055 at least 72 hours in advance.**



**Board of Trustees**  
**Executive and Audit Committee Meeting**  
**March 22, 2019**

# Call to Order / Roll / Declaration of a Quorum



**Board of Trustees  
Executive and Audit Committee Meeting**

**Friday, March 22, 2019  
9:30 a.m. – 11:30 a.m. (or until business concludes)  
DeBoer Room, Hannon Library**

**AGENDA**

Persons wishing to participate during the public comment period shall sign up at the meeting. Please note: times are approximate and items may be taken out of order.

- |          |  |   |
|----------|--|---|
| <b>1</b> | <b>Call to Order/Roll/Declaration of a Quorum</b>  | Chair Lyn Hennion                                   |
| 1.1      | Welcome and Opening Remarks  |   |
| 1.2      | Roll and Declaration of a Quorum   | Sabrina Prud'homme,<br>SOU, Board Secretary         |
| 1.3      | Agenda Review  | Chair Hennion                                       |
| <b>2</b> | <b>Public Comment</b>  |   |
| 5 min.   | <b>3 Consent Agenda</b>  |   |
|          | 3.1 Approval of January 18, 2019 Meeting Minutes   | Chair Hennion                                       |
|          | <b>4 Reports</b>   |   |
| 5 min.   | 4.1 Internal Audit Report  | Ryan Schnobrich, SOU,<br>Internal Auditor           |
|          | <b>5 Action, Information, and Discussion Items</b>   |   |
| 25 min.  | 5.1 Amendments to Governing Documents: Board Statements on Ethics and Conflict of Interest; Policies; and Recommending Candidates for At-Large Board Positions; and Investment Policy, SOU Endowment Fund (ACTION) | Chair Hennion; Jason Catz, SOU, General Counsel     |
| 15 min.  | 5.2 Governance Work Group: Work Plan and Update  | Vice Chair Paul Nicholson                           |
| 35 min.  | 5.3 Overview of IT Security Environment  | Thomas Battaglia, SOU,<br>Chief Information Officer |

**Board of Trustees  
Executive and Audit Committee Meeting**

**Friday, March 22, 2019  
9:30 a.m. – 11:30 a.m. (or until business concludes)  
DeBoer Room, Hannon Library**

**AGENDA (Continued)**

- |          |                    |               |
|----------|--------------------|---------------|
| 5.4      | Future Meetings    | Chair Hennion |
| <b>6</b> | <b>Adjournment</b> | Chair Hennion |

# Public Comment

# Consent Agenda

**Board of Trustees of Southern Oregon University  
Executive and Audit Committee Meeting  
Friday, January 18, 2019**

**MINUTES**

**Call to Order/Roll/Declaration of a Quorum**

Committee Members:

Lyn Hennion	Present	Paul Nicholson	Present
Sheila Clough	Present	Danny Santos	Present
Megan Davis Lightman	Present	Bill Thorndike	Present

Chair Lyn Hennion called the meeting to order at 9:31 a.m. in the DeBoer Room of the Hannon Library. The secretary recorded the roll and a quorum was verified.

**Public Comment**

There was no public comment.

**Reports**

Internal Audit Update

Ryan Schnobrich delivered his internal audit report. A combination of factors has slowed momentum on the internal audit plan, including the absence of several key collaborators, vacation and conference schedules, and coordination with external auditors. Summarizing the status of areas previously identified for audit work, Mr. Schnobrich said his follow-up on assurance procedures regarding the Title IX audit from FY17 has been postponed until the arrival of a new director for diversity and inclusion. Key vacancies in the finance and administration area have delayed his follow-up on procedures regarding management's response plans. The vacancy in the enrollment management and student affairs position has delayed consulting on student records maintenance, certain management responses, and consulting on the student fee process.

Mr. Schnobrich mentioned his coordination on various actions with the chief information officer, campus public safety, human resources, the sustainability and recycling coordinator, and housing.

Follow-up assurance procedures regarding FY17 investigation reports show that there is more work for management to do. Mr. Schnobrich said he plans to issue investigative assurance update reports in March and will delay until June the issuance of his annual assessment reports of management's control environment and its fraud risk management to capture a risk management presentation.

Competing priorities and management capacity constraints have prevented business services from working on certain portions of the internal control assessments. Mr. Schnobrich mentioned the Business Affairs Council's work on enterprise risk management; the dashboard designed to track management's corrective action plans and drive timely responses to internal audit work; and the SOU Policy Council's work.



There were four new allegations made since the committee's last meeting, which leaves 23 "in process" or "reopened" investigations. SOU is averaging about 18 allegations per year. Most of the allegations are being made directly to Mr. Schnobrich, but the anonymity that the EthicsPoint website and hotline provide is still valued.

Mr. Schnobrich reported that he recently passed the three Certified Internal Auditor exams.

Responding to Trustee Clough's inquiry regarding risk points caused by the delays in certain audits, Mr. Schnobrich said there are risks in delaying audits but the greatest risks to SOU are in not assessing risks. Responding to Trustee Santos' inquiry, Mr. Schnobrich said the subject matter of the allegations is very broad and one that concerns him is conflict of interest.

### **Consent Agenda**

Trustee Thorndike moved to approve the minutes of the consent agenda as presented. Trustee Nicholson seconded the motion and it passed unanimously.

### **Action Items**

#### Fiscal Year 2018 Audited Financial Statements

Jean Bushong presented the FY 2018 audited financial statements, as included in the meeting materials. She highlighted CliftonLarsonAllen's (CLA's) responsibilities under auditing standards; the scope of the engagement and the audit results; required communications to governance; upcoming changes in accounting standards; and some higher education industry topics. Ms. Bushong said the auditors review management-provided statements to determine if they are free from material error. The audit does not opine on the effectiveness of internal controls.

CLA issued an unmodified opinion on the financial statement audit and there were no findings. CLA's opinion is on pages 6-7 of the 2018 Annual Financial Report. Ms. Bushong addressed selected entries of the report and explained the impact of various Governmental Accounting Standards Board statements. CLA also reported no findings in the single audit on student financial aid, which was a significant accomplishment, adding that the two findings from the prior year were resolved.

Trustee Clough moved to accept the 2018 Annual Financial Report and recommend it to the Board of Trustees for action. Trustee Nicholson seconded the motion and it passed unanimously.

#### Amendments to Governing Documents: Bylaws; Board Statements on Delegation of Authority, Conduct of Public Meetings and Board Committees

Chair Hennion and Trustee Nicholson stated that revising and updating the board's bylaws and statements would ensure they reflect current and desired practices and correct minor administrative errors. Jason Catz walked the committee through and explained the reasoning behind the substantive proposed changes to the documents, as detailed in the meeting materials. Discussion ensued on some of the changes.

When discussing changes to the Board Statement on the Conduct of Public Meetings, trustees agreed to modify paragraph 2.5 as follows: Meetings. Notwithstanding

anything to the contrary in this Board statement, should a special or emergency meeting be set on less than five days' notice, all reasonable efforts shall be made to provide appropriate notice and all available, pertinent materials as soon as reasonably practicable.

Chair Hennion called for an individual motion to approve the amendments to each document and recommend them to the Board of Trustees for adoption. Trustee Santos moved the motion for the Bylaws, as presented; Trustee Thorndike seconded the motion and it passed unanimously. Trustee Clough moved the motion for the Board Statement on Delegation of Authority, as presented; Trustee Nicholson seconded the motion and it passed unanimously. Trustee Santos moved the motion for the Board Statement on the Conduct of Public Meetings, as amended; Trustee Clough seconded the motion and it passed unanimously. Trustee Lightman moved the motion for the Board Statement on Board Committees, as presented; Trustee Nicholson seconded the motion and it passed unanimously.

### **Information and Discussion Items**

#### **Governance Work Group**

Chair Hennion said she would like to call on the governance work group once again to make recommendations to the committee on various governance considerations. With their consent, Chair Hennion appointed the following individuals to the work group: Trustee Nicholson as chair, Trustee Lightman and Sabrina Prud'homme.

#### **Future Meetings**

The next regularly scheduled committee meeting will be on March 22.

President Schott reminded the committee that her contract expires in June. Chair Hennion expressed the committee's desire that President Schott be awarded another contract. President Schott stressed the importance of campus input. Recognizing the importance of having comments sent directly to trustees, Chair Hennion suggested having people send their comments to her SOU email address.

### **Adjournment**

Chair Hennion adjourned the meeting at 11:40 a.m.

# Internal Audit Report

# **Amendments to Governing Documents**

- Board Statement on Ethics and Conflict of Interest**
- Board Statement on Policies**
- Board Statement on Recommending Candidates for At-Large Board Positions**
- Investment Policy, SOU Endowment Fund**

**Board Statement on Ethics and Conflict of Interest**  
**Board of Trustees of Southern Oregon University**

**1.0 Purposes of Board Statement**

The Southern Oregon University ("SOU") Board of Trustees is committed to the ethical exercise of its authority and discharge of its fiduciary duties, both for the SOU community and the State of Oregon. While this Board Statement does not contain an exhaustive list of all considerations a discussion of Trustee might face with regard to ethics and conflicts of interests, the purposes of this Statement are to generally inform the Board of Trustees about: (a) generally inform the Board of Trustees about the ethical duties of a Trustee; and (b) generally inform the Board of Trustees about the Oregon Government Ethics Law and other laws that address conflicts of interest. Each individual Trustee is personally responsible for complying with the law applicable to ethical conduct and conflict of interest.

The University shall cause the Trustees to be informed on an annual basis (more often if the law changes) about applicable state and federal law regarding ethics and conflicts of interest so as to maximize the ability of the Trustees generally and each Trustee specifically to avoid ethical breaches and unwise or impermissible conflicts of interest.

**2.0 General Ethical Duties of a Trustee**

2.1 Trustees are volunteers and serve without salary. Service as a Trustee is a public trust. A Trustee is expected to perform his or her duties faithfully and efficiently.

2.2 A Trustee is a fiduciary. A Trustee has duties to the institution and its beneficiaries that few if any employees, students, and volunteers have. Trustees bring to their task varied backgrounds and expertise, but they are expected to put aside parochial interests, keeping the welfare of the entire institution, not just a particular constituency, at all times paramount. Trustees must also recognize that parochial interests and the welfare of a particular constituency could be irreconcilable with the welfare of the entire institution generally. Acting upon parochial interests or for the welfare of a particular constituency could impede the Trustee's ability to discharge his or her fiduciary duty to the entire institution.

2.3 The fiduciary duties of a Trustee include the duties of care, loyalty and obedience.

2.3.1 Duty of Care. A Trustee must act in good faith, using a degree of diligence, care, and skill that prudent persons would use under similar

circumstances and must act in a manner that he or she reasonably believes to be in the institution's best interests. In discharging his or her duties, a Trustee is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by or under the direction of: (a) One or more officers of the institution whom the Trustee reasonably believes to be reliable and competent in the matters presented; (b) Legal counsel, public accountants or other persons retained by the institution to speak to matters that the Trustee reasonably believes are within the person's professional or expert competence; (c) A committee of the Board of which the Trustee is not a member, as to matters within its jurisdiction, if the Trustee reasonably believes the committee merits confidence. A Trustee fails to act in good faith if the Trustee has personal knowledge concerning the matter in question that makes reliance unwarranted, even if such reliance would otherwise be permitted by this subsection.

2.3.2 Duty of Loyalty. A Trustee must act in good faith and in a manner that is reasonably believed to be within the scope of the public purposes of the institution rather than in the Trustee's own interests or the interests of another organization or constituency. A Trustee must be loyal to the institution and not use his or her position of authority to obtain, whether directly or indirectly, a benefit for him or herself, his or her relatives or family, or for another organization in which the Trustee has an interest. The duty of loyalty considers both financial interests held by a Trustee and positions a Trustee has with other organizations. A Trustee must maintain independence from stakeholders external to the Board in the conduct of oversight and policy responsibilities.

2.3.3 Duty of Obedience. A Trustee must ensure that the university is operating in furtherance of its stated purposes and is operating in compliance with the law. A trustee also must ensure effective internal controls. The Board shall periodically re-evaluate its purposes and mission and must be prepared to amend or change them when it is necessary and appropriate to do so. In furtherance of this duty, a Trustee must: (a) ensure that the institution operates in furtherance of its stated purpose; (b) ensure compliance; and (c) ensure effective internal controls.

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## 3.0 Definitions

3.1 The following definitions apply to this Board Statement:

3.1.1 Potential conflict of interest means any action or any decision or recommendation by a person acting in a capacity as a public official, the

effect of which could be to the private pecuniary benefit or detriment of the person or the person's relative, or a business with which the person or the person's relative is associated, *unless* the pecuniary benefit or detriment arises out of the following:

- a. An interest or membership in a particular business, industry, occupation or other class required by law as a prerequisite to the holding by the person of the office or position.
- b. Any action in the person's official capacity which would affect to the same degree a class consisting of all inhabitants of the state, or a smaller class consisting of an industry, occupation or other group including one of which or in which the person, or the person's relative or business with which the person or the person's relative is associated, is a member or is engaged.
- c. Membership in or membership on the board of directors of a nonprofit corporation that is tax-exempt under section 501(c) of the Internal Revenue Code.

3.1.2 Actual conflict of interest means any action or any decision or recommendation by a person acting in a capacity as a public official, the effect of which would be to the private pecuniary benefit or detriment of the person or the person's relative or any business with which the person or a relative of the person is associated unless the pecuniary benefit or detriment arises out of circumstances described in the definition of potential conflict of interest.

3.1.3 Relative means:

- a. The spouse, parent, stepparent, child, sibling, stepsibling, son-in-law, or daughter-in-law of the Trustee;
- b. The parent, stepparent, child, sibling, stepsibling, son-in-law, or daughter-in-law of the spouse of the Trustee;
- c. Any individual for whom the Trustee has a legal support obligation; or
- d. Any individual for whom the Trustee provides benefits arising from the Trustee's public service or from whom the Trustee receives benefits arising from that individual's employment.

#### **4.0 Overview of the Oregon Government Ethics Law**

4.1 In General. ORS Chapter 244 sets forth the minimum standards for ethical conduct of Oregon public officials. Each member of the Board of Trustees is an Oregon public official. The Oregon Government Ethics Commission has issued

administrative rules, publications, and advisory and staff opinions interpreting certain provisions of ORS Chapter 244.

4.2 Subjects Covered. ORS Chapter 244 addresses, among other things:

- 4.2.1 Gifts
- 4.2.2 Use or attempted use of an official position to obtain financial gain
- 4.2.3 Honoraria
- 4.2.4 Annual statement of economic interest
- 4.2.5 Lobbying
- 4.2.6 Conflicts of interest, whether actual or potential
- 4.2.7 Nepotism
- 4.2.8 Travel paid by third parties
- 4.2.9 Attendance at events
- 4.2.10 Entertainment
- 4.2.11 Food and beverages
- 4.2.12 Compensation packages
- 4.2.13 Reimbursement of expenses
- 4.2.14 Use of certain confidential information for personal gain

4.3 Relatives. In addition to a Trustee, the Oregon Government Ethics Law may apply to some relatives or members of the household of the Trustee and to certain businesses with which the Trustee or a relative of the Trustee is associated.

4.4 Gifts.

4.4.1 During a calendar year, a Trustee or a relative may not solicit or receive, directly or indirectly, any gift or gifts with an aggregate value in excess of \$50 from any single source that could reasonably be known to have a legislative or administrative interest. During a calendar year, a person who has a legislative or administrative interest may not offer to the Trustee or a relative or member of the household of the Trustee any gift or gifts with an aggregate value in excess of \$50.

4.4.2 "Legislative or administrative interest" means an economic interest, distinct from that of the general public, in any matter subject to the decision or vote of the Trustee acting in the Trustee's capacity as a Trustee.

4.4.3 There are numerous exceptions to the definition of "gift," the most germane of which are the following:

- a. Gifts from relatives or members of the household of the Trustee.
- b. An unsolicited token or award of appreciation in the form of a plaque,



trophy, desk item, wall memento or similar item, with a resale value reasonably expected to be less than \$25.

c. Informational or program material, publications or subscriptions related to the Trustee's performance of official duties.

d. Admission provided to or the cost of food or beverage consumed by a Trustee, or a member of the household or staff of the Trustee when accompanying the Trustee, at a reception, meal or meeting held by an organization when the Trustee represents the university.

e. Expenses provided by one public official to another public official for travel inside the state to or from an event that bears a relationship to the receiving public official's office and at which the official participates in an official capacity.

f. Food or beverage consumed by a Trustee at a reception where the food or beverage is provided as an incidental part of the reception and no cost is placed on the food or beverage.

g. Entertainment provided to a Trustee or a relative or member of the household of the Trustee that is incidental to the main purpose of another event.

h. Entertainment provided to a Trustee or a relative or member of the household of the Trustee where the Trustee is acting in an official capacity while representing the university ~~for a ceremonial purpose~~.

i. Anything of economic value offered to or solicited or received by a Trustee, or a relative or member of the household of the Trustee:

(A) As part of the usual and customary practice of the person's private business, or the person's employment or position as a volunteer with a private business, corporation, partnership, proprietorship, firm, enterprise, franchise, association, organization, not-for-profit corporation or other legal entity operated for economic value; and

(B) That bears no relationship to the Trustee's holding of, or candidacy for, a position on the Board of Trustees or another public office.

4.5 Use of Position for Personal Gain. Trustees may not use or attempt to use their official position to obtain a financial benefit for themselves, relatives, or businesses they are associated with, through opportunities that would not otherwise be available but for the office held.

4.6 Annual Reporting of Economic Interests. On or before April 15 of each year, a Trustee must file with the Oregon Government Ethics Commission a verified statement of economic interest. The University is charged with ensuring that each Trustee receives the proper form from the Commission.

4.7 Use of Certain Confidential Information for Personal Gain. Trustees may have access to or manage information that is confidential and not available to members of the general public. The Oregon Government Ethics Law prohibits Trustees from attempting to use confidential information gained because of the position held or by carrying out assigned duties to further the Trustee's personal gain. The law also prohibits a former Trustee from attempting to use confidential information for personal gain if that confidential information was obtained while holding the position as a Trustee, from which access to the confidential information was obtained.

4.8 ORS 351.067 addresses the process by which the Board of Trustees may permit certain compensation or reimbursement of expenses that would otherwise be prohibited by ORS Chapter 244.

## **5.0 Conflicts of Interest.**

5.1 Generally. Not all conflicts of interest are wrong or unacceptable. Although some categories of conflicts may be prohibited by law, or the law may require that they be disclosed and managed in a particular way, in many cases management of conflicts of interest is not primarily a question of law but of ethics. In some circumstances, conflicts may be inevitable, and the question for a Trustee may be how to manage the conflict. Some considerations can be identified that tend to signal that a conflict should be prohibited or carefully managed. Often this would be the case where, for example, an individual's outside activities or relationships or the institution's own interests entail the actuality or appearance that the quality or objectivity of a Trustee's judgment could be impaired; or that a Trustee is placing personal interest before the institutional interest; or that institutional resources or assets apparently are being used for private gain; or that an individual is receiving something of value from a business where the business would appear to benefit from the individual's decision on behalf of the institution; or that an individual is pursuing an economic opportunity identified in the course of institutional service, where the opportunity is not widely available.

### **5.2 State law.**

5.2.1 The Oregon Government Ethics Law addresses the existence, disclosure, and disposition of certain potential and actual conflicts of interest. The standards set forth in the law attempt to balance the need to avoid conflicts of interest with the need for the services of knowledgeable, experienced public officials. Compliance with state law is required but may be insufficient. Some considerations can be identified that tend to signal that a conflict should be forbidden or carefully managed. Often this would be the

case where, for example:

- a. A Trustee's outside activities or relationships or an institution's own interests entail the actuality or appearance that the quality or objectivity of judgment could be impaired.
- b. A Trustee is placing personal interest before the institutional interest.
- c. Institutional resources or assets apparently are being used for private gain.
- d. A Trustee is receiving something of value from a business where the business would appear to benefit from the Trustee's intervention or decision.
- e. A Trustee is pursuing an economic opportunity identified in the course of institutional service, where the opportunity is not widely available to others.

5.2.2 ORS 352.076 addresses a conflict of interest inherent in the positions of the faculty trustee and the non-faculty staff trustee. The conflict may be financial or non-financial. The faculty and non-faculty staff trustees (a) may not participate in any discussions or action by the board involving collective bargaining issues that affect faculty or non-faculty staff at the university, and (b) may not attend any executive session of the board involving collective bargaining issues that affect faculty or non-faculty staff at the university. This prohibition may include collective bargaining issues that affect any collective bargaining organization, unit or agreement, not merely a collective bargaining organization or unit that represents the faculty or non-faculty staff trustee or a collective bargaining agreement to which the organization or unit is a party.

5.2.3 Declaration of Potential and Actual Conflicts of Interest under Oregon Law. When met with a potential or an actual conflict of interest, a Trustee is strongly urged:

- a. Potential: Announce publicly the nature of the *potential* conflict prior to taking any action thereon in the capacity of a Trustee; or
- b. Actual: When met with an *actual* conflict of interest, announce publicly the nature of the actual conflict and refrain from participating in any discussion or debate on the issue out of which the actual conflict arises or from voting on the issue.

5.3 Federal law. Federal laws and regulations mandate conflict-of-interest-related requirements in certain areas applicable to universities-such as lobbying

of certain federal officials and the receipt of federal funds for financial aid, construction, research and grants and contracts. Trustees should be aware that their activities and interests may be in conflict with the interests and activities of the institution under federally-funded programs and may implicate the government relations activities of the institution.

5.4 Non-financial Interests. The Board of Trustees does not confine its concerns about conflict of interest to financial conflicts but extends its concerns to all kinds of interests that (a) may lead a Trustee to pursue a policy or practice or take a position that is incompatible with the Trustee's fiduciary duties to the institution, or (b) may entail steps by the Trustee to achieve personal gain, or gain for family, friends or associates, by use of the Trustee's role at the institution.

5.5 Trustees should disclose promptly all actual or potential conflicts of interest related to the institution as the conflicts become known to them. To facilitate Trustees' identification of such conflicts, the University is directed to inform the Trustees on an annual basis of applicable state and federal law regarding conflicts of interest so as to maximize the potential for awareness of possible conflicts.

## **6.0 Compliance**

6.1 When a Trustee gives notice of an actual or potential conflict of interest, the Secretary shall record the actual or potential conflict in the official records of the public body.

6.2 Federal law and state law supersede anything in this Statement that is inconsistent or in conflict with such law.

Approved on \_\_\_\_\_

\_\_\_\_\_  
Chair of the Board

\_\_\_\_\_  
Secretary of the University

## **Board Statement on Policies**

### **Board of Trustees of Southern Oregon University**

#### **1.0 Preamble**

Consistent with authority of the Board of Trustees ("Board") authority to manage the affairs of Southern Oregon University ("University" or "SOU") and, in recognition of its fiduciary obligations, the Board identifies the following categories of authority and the principles and processes governing the development of statements of authority, including bylaws, committee charters, board statements, board resolutions, university policies, university procedures, handbooks, and manuals.

#### **2.0 Categories of Authority**

2.1 Bylaws. Board Bylaws outline the essential elements necessary for the Board's constitution and operation, including, but not limited to Board officers, meeting agendas, and certain legal obligations.

2.2 Committee Charters. Committee charters identify the duties and scope of authority for the Board's committees, both standing and *ad hoc* and must be consistent with the Board's Bylaws, Board Statement on Committees, and other Board actions. These charters may only be ~~promulgated~~adopted, amended, or repealed by a majority vote of the Board. Board committees, from time to time, may suggest changes to the committee charters for Board action.

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2.3 Board Statements and Resolutions. Board Statements are broad, strategic statements communicating the Board's expectations. As opposed to University Policies or Procedures, which could communicate delegated, operational or transactional authority or procedures, Board Statements communicate the fundamental strategic, fiduciary, and structural expectations of the Board. While the Board's committees, President, and SOU Policy Council play a role in the development and recommendation of Board Statements, such Statements may only be ~~adopted-promulgated~~, amended or repealed by a majority vote of the Board. Pursuant to ORS 352.107, the Board may authorize a Board Statement to have the force of law. Board Resolutions are also reserved for broad, strategic statements, but may be used in specific circumstances, including statements that need to be reaffirmed periodically by the Board or for actions authorizing the sale of bonds. Board Statements and Resolutions must be consistent with the Board's Bylaws and federal and state law.

2.4 University Policies. University Policies describe the exercise of authority delegated to the President by the Board. University Policies typically communicate the broad, strategic expectations of the President regarding the University's affairs. University Policies must be consistent with Board

Statements and Resolutions and federal and state law. In any event where a University Policy is inconsistent with a Board Statement or Resolution, the Board Statement or Resolution shall prevail.

2.5 University Procedures. University Procedures, which likely work in concert with one or more University Policies, communicate the day-to-day steps or processes necessary for the effective and efficient accomplishment of University Policies. University Procedures must be consistent with Board Statements and Resolutions, University Policies, and other actions, as well as federal and state law. Where a University Procedure is inconsistent with a Board Statement, Resolution, University Policy or other Board action the Board Statement, Resolution, Policy, or action prevails.

2.6 Handbooks and Manuals. Handbooks and Manuals exist throughout the University and typically communicate desktop procedures or expectations for a University department, unit, or functional area. Examples may include, but are not limited to a faculty handbook, student handbook, and fiscal policy manual. Handbooks and Manuals must be consistent with Board Statements, Resolutions, and other actions, and University Policies and Procedures. Where a Handbook or Manual is inconsistent with a Board Statement, Resolution, or action, or University Policy or Procedure, the Statement, Resolution, action, Policy, or Procedure will prevail.

### 3.0 **SOU Policy Committee**

3.1 To assist in the formulation, drafting, revision, recommendation, and maintenance of the Board's and University's statements of authority, the Board directs the President to establish and maintain a policy council. The SOU Policy Council ("Council") will be convened by the SOU General Counsel. With the approval of the President, the Council will consist of representatives of the major functional units at the University (e.g., human resources, business affairs, contracting and procurement, public safety, student affairs, academic affairs, and risk management), as well as duly-elected or appointed representatives of the Faculty Senate ~~and~~ ASSOU. The Council is a consultative, multi- functional group designed to provide valuable input and advice on the categories of authority described in this Board Statement.

3.2 The responsibility for any statement of authority described at sections 2.4, 2.5, or 2.6 of this Board Statement resides with the cognizant officer or director ("Responsible Officer"), even if employees that report to the Responsible Officer participate in the Council. Responsible Officers include:  
(1) chief academic ~~officer~~ (2) ~~chief and~~ student affairs officer, (3) chief financial officer, (4) chief legal officer, (5) chief development officer, and (6) athletic director.

3.35 The Responsible Officer, or designee, shall present University Policies.

whether new or existing, to the Council for advice. After discussion of the draft University Policy, the Responsible Officer may submit the draft University Policy to the President for authorization to seek comment from the University community. Although a vote is not required in order for the Responsible Officer to submit a University Policy to the President, the Responsible Officer shall communicate to the President any major issues or concerns, if any, identified by the Council. With the President's authorization, a Responsible Officer may submit a draft University Policy to the University community for comment for at least seven calendar days. The draft shall also be posted on the University's policy website during the comment period. After seven days, the Responsible Officer, with any comments, may return to the Council for advice or request approval from the President. A University Policy is only valid after an official copy is (i) approved by the President and (ii) included on the University's policy website.

3.4 The Responsible Officer, or designee, shall present University Procedures, whether new or existing, to the Council for advice. After discussion of the draft University Procedure, the Responsible Officer may seek the President's approval. Although a vote is not required in order for the Responsible Officer to submit a University Procedure to the President for approval, the Responsible Officer shall communicate to the President any major issues or concerns, if any, identified by the Council. A University Procedure is only valid after an official copy is (i) approved by the President and (ii) a copy is made available to the University community either (a) on the University website or (b) a physical copy is created and made available to the University community in the department included on the University's policy website.

3.5 The Responsible Officer is authorized to maintain Handbooks and Manuals described at Section 2.6 for any unit or department that reports to him or her. The Responsible Officer may seek the advice and guidance of the Council for Handbooks and Manuals, but is not required to do so. Notwithstanding this authority, a Handbook or Manual is not valid unless it contains statements that (i) it does not create a contractual obligation unless expressly stated, (ii) that the official copy may be found on the University's policy website or the location of where a physical copy may be inspected, and (iii) any inconsistency with a category of authority described at Section 2.3, 2.4, or 2.5 of this Statement will be resolved in favor of the applicable Board Statement, Resolution, or action, - University Policy or Procedure, or, as applicable collective bargaining agreement.

3.6 Inspection of policies, procedures, handbooks and manuals may be restricted to the extent allowed by the Oregon Public Records Law to prevent the misuse of sensitive security information, financial and business procedures, and similar information.

~~3.4 The Responsible Officer, or designee, shall present University~~

~~Procedures, whether new or existing, to the Council for advice. After discussion of the draft University Procedure, the Responsible Officer may seek the President's approval. Although a vote is not required in order for the Responsible Officer to submit a University Procedure to the President for approval, the Responsible Officer shall communicate to the President any major issues or concerns, if any, identified by the Council. A University Procedure is only valid after an official copy is (i) approved by the President and (ii) included on the University's policy website.~~

~~3.5 The Responsible Officer, or designee, shall present University Policies, whether new or existing, to the Council for advice. After discussion of the draft University Policy, the Responsible Officer may submit the draft University Policy to the President for authorization to seek comment from the University community. Although a vote is not required in order for the Responsible Officer to submit a University Policy to the President, the Responsible Officer shall communicate to the President any major issues or concerns, if any, identified by the Council. With the President's authorization, a Responsible Officer may submit a draft University Policy to the University community for comment for at least seven calendar days. The draft shall also be posted on the University's policy website during the comment period. After seven days, the Responsible Officer, with any comments, may return to the Council for advice or request approval from the President. A University Policy is only valid after an official copy is (i) approved by the President and (ii) included on the University's policy website.~~

3.76 Board Statements or Resolutions may come to the Council for advice and consideration through a variety of channels, including the Board or its chair, its committees, whether standing or *ad hoc*, the President, or a Responsible Officer. The relevant Responsible Officer, at the direction of the Board chair, Board committee chair, or the President, may present a Board Statement or Resolution, whether new or existing, to the Council for advice and consideration. After any advice and consideration by the Council, and with the Board chair's authorization, the President or Responsible Officer may submit a draft Board Statement or Resolution to the University community for comment for at least seven calendar days. The draft may also be posted on the University's policy website during the comment period. After seven days, the President or Responsible Officer may compile any comments and seek the advice of the Board chair on whether to return the draft to the Council for further refinement or include the draft Board Statement or Resolution in the Board's docket for action at a regular, special or emergency meeting. Notwithstanding the Council's existence as a consultative, advisory group assembled for the benefit of the University, nothing in this Section shall be construed to require the Board or its committees to submit its Board Statements or Resolutions to the Council.

#### 4.0 Format

4.1 All categories of authority will be presented substantially in the same

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format. The official copy of the authority will be found on the Board's website and the University's policy website, with an official paper in the Board's office files.

4.2 The Council will devise an operational system to organize the categories of authority under discernible functional areas.

4.3 Responsible Officers will, from time to time, review categories of authority within their functional areas to determine if repeal or amendment is advisable.

4.4 Technical changes to the organizational system, titles of authorities, indexing of authorities, or any other administrative change necessary to maintain an accessible and efficient policy function that does not conflict with this Board Statement may be accomplished after notice to the Board Chair.

Approved on \_\_\_\_\_

\_\_\_\_\_  
Chair of the Board

\_\_\_\_\_  
Secretary of the University

## Board Statement on Recommending Candidates for At-Large Board Positions

### Southern Oregon University Board of Trustees of Southern Oregon University

## Board Statement on Recommending Candidates for At-Large Board Positions

### 1. Goal

Under ORS 352.076, Southern Oregon University trustees are appointed by the Governor of the State of Oregon and confirmed by the Oregon Senate. It is a goal of the Board of Trustees ("Board") to recommend at-large candidates for the Governor's consideration who meet the individual characteristics desired for the boardBoard and who complement the needs of the boardBoard as a whole. The boardBoard fully recognizes that ~~only the governor of the State of Oregon has the authority to appoint members of the boardBoard and the state senate has the authority to confirm such appointments as executive appointees.~~ Southern Oregon University Trustees are appointed only by the Oregon Governor and confirmed only by the Oregon Senate.

### 2. Purpose

The purpose of this policy is to guide the boardBoard's efforts in identifying potential candidates to recommend to the Governor for at-large board positions.

### 3. Board Composition

The boardBoard should be composed of members who have:

- A commitment to public higher education;
- A record of public or community service;
- Knowledge of complex organizations or academic institutions;
- Demonstrated collaborative, collegial approach to leadership;
- A willingness and availability for constructive engagement;
- A commitment to open-minded, non-partisan decision-making;
- A record of integrity, good judgment, and civic virtue; and
- A commitment to engagement in board responsibilities and interests.

~~Qualifications and characteristics that reflect and support the Governor's goals, priorities, and initiatives.~~

There should be a balance of perspectives, backgrounds, experience, and skills among the members of the boardBoard. These may include, but are not limited to:

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- Gender, ethnicity, age, geographic location of residence, and other expressions of diversity;
- Unique skills and competencies, including experience that will benefit the ~~board~~Board;
- Complementary skills and perspectives;
- A broad range of professional fields (e.g., education, legal, finance, engineering, healthcare, criminal justice, business, etc.); ~~and~~
- Knowledge of and/or connection to Southern Oregon University (alumni relation, campus service, community relationships, etc.); ~~and~~
- Qualifications and characteristics that reflect and support the Governor's goals, priorities, and initiatives.

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#### 4. Process

The process for identifying and vetting potential candidates will include the following:

##### 4.1 Conduct Needs Assessment

When a vacancy on the ~~board~~Board is anticipated or occurs, the ~~board-secretary~~Board Secretary, in conjunction with the ~~president~~President, ~~and board chair~~Board Chair, ~~and/or Vice Chair~~ will conduct a needs assessment by analyzing the present ~~board~~Board membership against the composition identified in Section 3. The ~~board~~Board also will conduct periodic self-assessments, which the ~~board-secretary~~Board Secretary, ~~president~~President, and ~~board chair~~Board Chair also will consider in assessing the ~~board~~Board's needs.

##### 4.2 Identify and Vet Potential Candidates

Based on the needs assessment, the ~~president~~President and/or ~~board-chair~~Board Chair, in consultation with the Vice Chair, will identify potential candidates. To assist the ~~president~~President and ~~board chair~~Board Chair in identifying potential candidates, the ~~board-secretary~~Board Secretary will maintain a list of individuals submitted by sources such as trustees, the ~~president~~President, senior administrators, and others. The ~~president~~President and/or Board Chair will vet ~~potential~~ candidates under priority consideration, or will may cause vetting of those candidates to occur. Vetting will may include a discussion with potential candidates about the responsibilities of serving as a trustee as well as interest, readiness for

nomination, and ability to serve the university with:

- Support for the mission and strategic plan of the university:

- Commitment of time and talent;
- Attendance at and participation in board and committee meetings;
- Ability to maintain a university-wide perspective on issues and concerns;
- Promotion of the university mission through advocacy and oversight of policy; and
- Active involvement in the life of the university.

#### 4.3 ~~Present Recommendations~~ Review Results of the Vetting Process

The ~~president~~President will ~~discuss present-priority candidates their suggestions recommendations to-with~~ the ~~board-chair~~Board Chair. The ~~board-chair~~Board Chair will consult with members of the ~~board~~Board regarding potential candidates who are willing and able to serve and who satisfy the needs identified ~~in~~by the needs assessment. Candidates will be asked to complete an application pack ~~ageet~~ including the Governor's Executive Appointments Interest Form, Background Information Form, and other documentation required for executive appointments. The ~~board-secretary~~Board Secretary may provide ~~-~~information on filing the required forms. Based on the factors set forth above and the information gathered for the Board Chair, ~~t~~The ~~board-chair~~Board Chair will decide which candidates to recommend ~~candidates~~ on behalf of the Board of Trustees to the Governor for consideration.

Any member of the public who may be interested in serving as a trustee, but who has not come to the attention of the ~~board~~Board through this process, ~~is encouraged to~~may apply independently. It is understood by the ~~board~~Board that providing recommendations to the Governor's office regarding potential trustees in no way guarantees or implies appointment of any applicant. As executive appoint~~ment~~sees, Southern Oregon University trustees are appointed only by the Oregon Governor and confirmed only by the Oregon Senate.

Approved on \_\_\_\_\_

\_\_\_\_\_  
~~Board Chair~~Board Chair

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Board Secretary

**Board Statement on Investments for the ~~Policy~~, SOU Endowment Fund**  
**Board of Trustees of Southern Oregon University**

**POLICY PROVISIONS**

**Policy Statements**

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**1. Introduction**

This statement governs the investment of the Southern Oregon University Endowment Fund (the "Fund").

This statement is set forth in order that the Board, the Investment Advisor, its investment managers and others entitled to such information may be made aware of the Policy of the Fund with regard to the investment of its assets.

This statement of investment policy sets forth the following:

- A. There will be a clear understanding by the Board, the Investment Advisor and staff of the investment goals and objectives of the portfolio.
- B. The Board and management have a basis for evaluation of the investment managers.
- C. The investment managers be given guidance and limitation on investing the funds.

It is intended the objectives in this policy to be sufficiently specific to be meaningful, but flexible enough to be practical. It is expected that the policy and objectives will be amended as necessary to reflect the changing needs of the endowment; however, all modifications shall be made in writing and approved by the Board.

**2. Southern Oregon University Endowment Fund**

The Fund is permanent and expected to operate in perpetuity, so these funds will be invested long-term. It is important to follow coordinated policies regarding spending and investments to protect the principal of the Fund and produce a reasonable total return.

**3. Responsibility of the Board**

The role of the Board is to recommend broad investment goals to the Investment Advisor, including spending rate information and to provide input into the asset allocation process.

#### 4. Investment Advisor Responsibility

The Investment Advisor, and/or a designee, serves as consultant to the Board and will have the responsibility and authority to establish the asset allocation for the Fund and approve the retention and termination of all investment managers. The Investment Advisor, and/or a designee, will recommend to the Board a specific asset mix reflecting judgments of the investment environment as well as the specific needs of the Fund. Other duties assigned to the Investment Advisor, and/or a designee, include:

- A. Recommending professional investment managers;
- B. Negotiating and/or monitoring Fund investment expenses;
- C. Monitoring investment managers, on an ongoing basis;
- D. Assuring proper custody of the investments; and
- E. Reporting to the Board, on a quarterly basis, the Fund's investment results, its composition and any other information the Board may request.

#### 5. Spending Policy

The amount of endowment return available for spending (distribution) is based on a percentage of the average unit market value of the 20 quarters preceding the current fiscal year. The distribution per unit (under Exhibit A) is determined by the Board. The distribution amount per unit is multiplied by the current number of units and any additional units added during the current year as new endowment money comes into the Fund. This shall be exclusive of investment management fees.

**Commented [SP1]:** Consider a shorter moving average, such as 12 versus 20 quarters?

#### 6. Investment Policy Guidelines

##### A. Asset Allocation

The most important component of an investment strategy is the allocation among the various classes of securities available to the Fund. The Investment Advisor, in consultation with the Board, will establish the target asset allocation for the investments that will most likely achieve the investment goals of the Fund, taking into consideration the appropriate level of portfolio risk.

The risk/return profile shall be maintained by establishing the following long-term "target" strategic asset allocations:

**Commented [SP2]:** Confirm recommended asset allocation 75% global equities/25% fixed income.

<u>Asset Class</u>	<u>Policy</u>	<u>Target</u>	<u>Benchmark</u>
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Global Equities	70-80%	75%	MSCI ACWI IMI Net
Fixed Income	20-30%	25%	Barclays Aggregate
Cash	0-3%	0%	91 Day T-Bill

#### B. Investment Time Horizon

In making investment strategy decisions for the Fund, the focus shall be on a long-term investment time horizon that encompasses a complete business cycle (usually three to five years). An interim evaluation will be performed by the Investment Advisor, and/or a designee, if a significant change in fees, manager personnel, investment strategy or manager ownership occurs.

While the quantitative assessment of managerial competence will be measured over a complete market cycle, the Board anticipates that the Investment Advisor will make period qualitative assessments as well. Specific qualitative factors considered by the Investment Advisor may include, but are not limited to, fundamental changes in the manager's investment philosophy, changes in the manager's organizational structure, financial condition and personnel, and any changes, relative to peers, in a manager's fee structure.

### 7. Prudence and Ethical Standards

#### A. Prudence

All participants in the investment process shall act responsibly. The standard of prudence to be applied by the Board, the Investment Advisor, selected designees, SOU staff and external service providers shall be the "prudent investor" rule, which states: "Investments shall be invested and the investments managed as a prudent investor would do, under the circumstances then prevailing and in light of the purposes, terms, distribution requirements and laws governing each investment fund."

#### B. Ethics and Conflicts of Interest

Board members, Investment Advisory staff, selected designees, SOU staff and external service providers involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. These parties are required to reveal all relationships that could create or appear to create a conflict of interest in their unbiased involvement in the investment process.

### 8. Investment Objectives



The investment objective of the Fund is to seek consistency of investment return with emphasis on capital appreciation over long periods of time, since the Fund will operate in perpetuity. In keeping with the performance goals included in the Policy, achievement of this objective shall be done in a manner that, over a long-term planning horizon, will meet the spending rate established by the Board (under Exhibit A) and maintain the purchasing power of the principal.

## **9. Manager(s) Responsibilities**

A. Legal Compliance - The investment manager(s) is (are) responsible for strict compliance with the provisions of their investment management agreement.

B. Authority of Investment Manager(s) in the Managed Accounts - Subject to the terms and conditions of this Policy and the investment management agreement, manager(s) shall have full discretionary authority to direct investments of assets in the managed accounts. The Investment Advisor, and/or a designee, will recommend changes to this Policy when the advisor(s) views any part of this Policy to be inconsistent with overall market, economic conditions, or investment policies.

The Investment Advisor directs all managers to vote proxies and to vote them in the best economic interest of the Fund. When requested, managers will report to the Investment Advisor regarding how proxies were voted.

Meetings between Fund managers and the Investment Advisor will occur consistent with the policies established for the Investment Advisor's other managers, to discuss items including, but not limited to, the manager's performance, outlook, and investment decision process.

## **10. Reporting Requirements**

Investment results will be regularly monitored by the Investment Advisor, selected designees and Board staff.

A representative of the Investment Advisor, and/or a designee, shall report investment results, or other information, to the Board no less frequently than annually, ~~if requested~~. Any material non-compliance with the Investment Policy, Guidelines and Objectives of the Fund or with the investment management agreement will be reported to the Board immediately.

## **11. Investment Guidelines**

A. Cash: The Fund shall maintain minimal cash, consistent with short-term

requirements. Short term cash will be invested in a liquid cash equivalent investment.

B. Fixed Income: Fixed-income securities, for purposes of these guidelines, shall mean mortgage-backed securities, U.S. government securities, investment-grade domestic or global corporate bonds, and other fixed income securities, such as certificates of deposit and commercial paper. The objective of this component of the Fund is to preserve capital in keeping with prudent levels of risk, through a combination of income and capital appreciation. Realization of income will be subordinate to safety, liquidity, and marketability (i.e., securities should be readily marketable). This component of the Fund shall adhere to the following criteria:

1. Average portfolio credit quality shall be A or better;
2. With the exception of U.S. Government and Agency issues, no more than 10 percent of the bond portfolio, at market value, will be invested in the securities of a single issuer or 5 percent of the individual issue;
3. Below investment grade bonds shall not exceed ~~15~~20 percent of the bond portfolio; and
4. Non-U.S. bonds shall not exceed 20 percent of the bond portfolio.

Fixed-income managers have full discretion over the allocation between long-term, intermediate, and cash equivalent investments.

#### C. Equities

1. Objective: The objective of the equity portfolio is to enhance total return by investing in a broadly diversified portfolio of domestic and international stocks.
2. Strategy: Hold a fully invested, diversified portfolio of global equity securities, including emerging markets.
3. Permitted Holdings: Publicly traded domestic and international common stock, and other financial instruments consistent with the guidelines of the investment management agreements.
4. Diversification: The Investment Advisor shall recognize the need for diversification to minimize the risk of significant losses to the Fund. Diversification by capitalization, style, and sector distribution shall be obtained through the selection of complementary investment managers, or index strategies. Not more than 5 percent of the market value of any investment fund will be invested in any single issuer or security, unless part of an index fund.
5. Portfolio Restrictions: There will be no engagement in short sales, purchases on margin, or investments in options, futures, or private placements unless consistent with the underlying investment

management agreements.

D. Performance

Performance expectations for each of the asset classes are described in Exhibit A.

**12. Asset Custody and Securities Lending**

Custodial responsibility for all securities is to be determined by the Board or its designee(s).

**13. Conclusion**

Implementation of this Policy, including investment manager selection, shall be the responsibility of the Investment Advisor, subject to the necessary approvals from the Board.

This Policy shall be reviewed by the Board at least every two years.

Approved on \_\_\_\_\_

\_\_\_\_\_  
Board Chair

\_\_\_\_\_  
Board Secretary

## EXHIBIT A

### **Spending Policy**

The distribution rate for the Fund is up to 4 percent of the five-year moving average unit market value.

### **Performance Monitoring**

Global equities are expected to match the performance of the passive benchmark assigned.

Fixed income accounts are expected to exceed the return of the Barclays Capital Aggregate Bond Index by 0.5 percent (after fees) over a market cycle for core bond investments.

**Commented [SP3]:** Confirm distribution rate of "up to 4%"

# **Governance Work Group: Work Plan and Update**

**SOU Board of Trustees  
2019 Governance Work Group  
Workplan**

<b>Item</b>	<b>GWG Review Date</b>	<b>Action</b>	<b>Deliverable to Board of Trustees</b>	<b>To Committee &amp; Board</b>	<b>Action Required</b>
Workplan for Governance Work Group	March	Create	Final version of this document	March 22: EAC & BOT	No
Board Policy on “Recommending Candidates for At-Large Board Positions	March	Review, update	Amendments for consideration to Work Group on Policies (Lyn, Paul, Sabrina, Jason)	March 5: WG on Policies  March 22: EAC & BOT	No  Yes
Annual Self Evaluation (ASE) for Summer '19 Administration	March, April	Review, update if nec.	2018-19 ASE	June 21	Suggested Consent
Knowledge and Skills Assessment (KSA) for Summer '19 Administration	March, April	Review and update/re-create	2019-2022 KSA	June 21	Suggested Consent
Pros and Cons of Establishing a Governance Cmte.	April	Ongoing discussion	Pros/cons document for discussion (if decided, another item)	Proposed for September 20 if nec.	Yes, if decided
Engagement of Retired Trustees	April, May	Discussion, planning	Discussion and information	June 21	Unknown
New trustee engagement/mentoring structure	April, May	Discussion, planning	Discussion and information	June 21	No
Idea starters for “ground rules” or “agreements”	May	Discussion	Draft of “agreements” for consideration	Proposed for September 20 if nec.	Yes
Trustee “job” description	April, May	Create	Draft for review, edit, and approval	TBD	Yes
Consideration of election process for board officers	May	Review	Discussion	June 21	TBD

# Overview of IT Security Environment

# Cybersecurity@SOU

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## **1. Introduction**

The CIO will introduce cybersecurity and what it looks like in 2019 for SOU.

## **2. Greatest Risks**

The greatest risks to SOU will be discussed verbally with the Board.

## **3. Harvard 10**

The Harvard 10 is the list of questions that our Board once asked to be answered by the I.T. organization. Please see the following page for an update on the ten questions.

## **4. Steps Taken**

I.T. has recently joined an organization known as the Center for Internet Security (CIS). This is an organization that is free for education, but it includes many private organizations to help assist the public sector. CIS has a security control framework that comprises 20 different controls. I.T. is working to implement these controls, and they will be included in the new written cybersecurity plan. The list of controls and progress are listed on page 3.



# The Harvard Ten

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## 1. Leadership

The new CIO carries four certifications from the Committee on National Security Systems (CNSS) which is overseen by the NSA.

## 2. Budget & Staffing

Working with HR and the VP of Administration and Finance, I.T. is working on morphing one of its management positions into a 65% dedicated Information Security Officer (ISO). The individual slated to take on this assignment is currently studying for his Certified Information Security Systems Professional (CISSP) certification. He should earn this certification in April.

## 3. Comprehensive, Written Cybersecurity Program

One of the key goals for the ISO along with the CIO for 2019 is to author this plan.

## 4. Employee Training and Education

An initiative to build security awareness began in late January of 2019. The CIO is currently working with executive leadership to expand and tailor the program for the remainder of the year.

## 5. Third-Party Vendors

SOU has many interfaces with third-party vendors. We have protections in some areas; however in other areas (e.g. authentication methods), we still have work to do. Solving some of these issues should be accomplished as part of the cybersecurity program planning process.

## 6. Legal Compliance & Regulatory

SOU works with the Oregon Treasury on purchasing card industry (PCI) compliance. The Treasury mandates the process by which SOU can process credit cards. For other compliance, there is not yet a concerted effort in place. For example, California has new privacy regulation as does the European Union (GDPR). Part of the security program will look at how compliance and cybersecurity intersect. However, compliance is not always the responsibility of the cybersecurity program.

## 7. Insurance

SOU does purchase cyber liability insurance. We are currently in process of renewing this policy, and it was corrected for the current enrollment period.

## 8. Detection

SOU's I.T. department maintains and keeps current anti-virus and malware detection software for university-owned computing systems. The definitions are kept current. However, SOU does not have either an intrusion detection system (IDS) or an intrusion prevention system (IPS or IDPS) in place at this time. This is due mostly to resource constraints.

## 9. Comprehensive, Written Breach Response Plan

SOU does not currently have a written breach response plan.

## 10. Non-Digital Information and Physical Devices

I.T. is investigating this with other campus departments.

## Basic

- 1 Inventory and Control of Hardware Assets ✓
- 2 Inventory and Control of Software Assets
- 3 Continuous Vulnerability Management
- 4 Controlled Use of Administrative Privileges
- 5 Secure Configuration for Hardware and Software on Mobile Devices, Laptops, Workstations and Servers ✓
- 6 Maintenance, Monitoring and Analysis of Audit Logs

## Foundational

- 7 Email and Web Browser Protections ✓
- 8 Malware Defenses ✓
- 9 Limitation and Control of Network Ports, Protocols and Services
- 10 Data Recovery Capabilities
- 11 Secure Configuration for Network Devices, such as Firewalls, Routers and Switches
- 12 Boundary Defense ✓
- 13 Data Protection
- 14 Controlled Access Based on the Need to Know ✓
- 15 Wireless Access Control ✓
- 16 Account Monitoring and Control

## Organizational

- 17 Implement a Security Awareness and Training Program ✓
- 18 Application Software Security
- 19 Incident Response and Management
- 20 Penetration Tests and Red Team Exercises

# Future Meetings

# Adjournment